



**THEEWATERSKLOOF MUNICIPALITY
ANNUAL REPORT
2007/2008**

**COMPILED IN TERMS OF SECTION 121 OF THE MUNICIPAL
FINANCE MANAGEMENT ACT (ACT 56 OF 2003)**

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CHAPTER 1

INTRODUCTION AND OVERVIEW



1.1 OVERVIEW OF THE EXECUTIVE MAYOR

I am extremely proud to present the annual report for 2007/8, the third in my tenure as executive mayor of the Theewaterskloof Municipality.

I am glad to be the messenger of good news as this report indicates that we succeeded to confront and erase some of the most daunting municipal challenges and that we finally bridged the gap between mediocrity and supremacy, failure and success.

This year council and administration joined considerable expertise and abilities to change the tide of insufficient third tier governance and subsequently we proved to our colleague's, ourselves and our constituency that Theewaterskloof Municipality is finally in a position to serve its people in terms of the legal and statutory obligations of all Municipalities.

Most important and indicative of our commitment to create a municipality of excellence is the fact that the work we did last year and especially this year earned this authority an unqualified audited statement from the Auditor General. This happened only months after the Auditor General expressed grave concerns about the general state of financial management and control in the third tier governments, and media speculations that only a handful of these government entities are financially viable and in control of their finances.

Changing the financial control and management credibility of Theewaterskloof Municipality was a substantial challenge and one we succeeded within a time frame of two years. It is paramount in my statement and belief that we as an authority succeeded and that we became viable and sustainable. I say this with the knowledge that this report confirms holistic growth and a considerable thrust to establish Theewaterskloof Municipality as a fine and functional instrument of third tier government: one of the best in the Western Cape and a National success story.

Given the general management and service delivery inabilities of the local government in April 2006 it is clear that we succeeded with most of our goals. We proved the viability and value of third tier government and that we could transform this municipality to serve the Theewaterskloof and its people. I think it is appropriate for us to have a quick look at the recent past as this will allow us to appreciate the successes of 2007/08 and the fact that we received an unqualified audited statement this year.

At the beginning of the second term of the Theewaterskloof Municipality in 2006 the administrative and political structures were in turmoil and the authority was largely dysfunctional and struggling for sustainability on most levels, including administration, financial control, political stability and product and service delivery.

As things turned out the three months we governed in 2005/06 were utilised to assess the state of the municipal affairs and from 7 April until the end of June 2006 council focussed on consolidation and to acquaint itself with the political and practical operations of the authority. As matters turned out various parties formed a working government that succeeded as a coalition.

As the mayor I throughout acknowledged the importance of all parties in the council as they represent a large number of people in the municipal area. Subsequently we developed good political relations through functional communication in council. As mayor I continued this approach in 2006/07, 2007/08 and also in the current financial year.

I based my commitment to the Theewaterskloof Municipality on the powers and functions of local municipalities as articulated in the Constitution of the Republic of South Africa (Act 108 of 1996): Sections 156 and 229, Local Government: Municipal Systems Act (32 of 2000) and the Local Government: Municipal Structures Act (117 of 1998): Chapter 5 Sections 83 - 84.

Based on the experience council gained in the first three months of this term the latter had to implement a holistic restructuring and transformation programme for this municipality. After a thorough municipal analysis council redefined and restructured the administrative component and employed managers of substantial expertise and experience. This allowed council and the heads of departments to embark on a programme to secure a viable, sustainable and operational management with functional departments.

In 2006/07 council and the managers improved the internal service delivery capacity of the municipality and created channels of communication with the public. Council subsequently created platforms for the development of a local Integrated Development Programme (IDP) and linkage of the local IDP with that of the region.

In the same year council empowered and positioned the Theewaterskloof Municipality to participate in integrated regional and provincial government structures such as the Overberg District Integrated Forum (ODIF) and the Provincial Advisory Forum (PAF). Subsequently the Theewaterskloof Municipality participated in the ODIF and contributed towards integrated government services and tasks in service delivery environments where several organs of state of the various spheres of government are active.

The role of the ODIF and PAF, to facilitate coordinated government services, is in essence necessary to streamline holistic government integration and coordinated government inputs and to serve constituencies with the combined abilities and structures of the entire government.

It is therefore unfortunate that incapacities of the Overberg District Municipality (ODM), regional coordinator of the ODIF, hampered the effectiveness and functionality of the District Integrated Forum. This year Theewaterskloof Municipality extended a helping hand to the ODM in an initiative to strengthen their internal structures for upgraded service delivery in context of a C/regional authority.

Unfortunately the ODM did not yet respond on Theewaterskloof's gesture of good will.

By the end of 2006/07 Theewaterskloof Municipality did not only restore its functional administration and capacities of service delivery. Half way through that year the municipality already assessed vital community needs that later reflected in the local IDP.

At the beginning of 2008/09 the municipality was ready to function as a growing and sustainable local authority.

Returning to the matter of the financial resurrection of the Theewaterskloof Municipality since 2006 it is necessary to evaluate the function of financial control and management over the entire period of the current term and even prior to that.

In 2006 the municipality faced several and severe inadequacies regarding financial management and control. The audited statements were qualified and referred to dysfunctional financial management, unauthorised expenses, inadequate asset management, insufficient debt collection, inadequate internal financial control and non conformance with financial acts and regulations.

By the end of 2006/07 the financial statements were still qualified as the municipality could not rectify asset control in time. However, the hard work paid dividends and for the 2007/08 financial year the Municipality will receive an unqualified audited statement!

Let me now refer to primary successes of the Theewaterskloof Municipality in 2007/2008:

- Successful negotiations for government development funds for the poorest of the poor and especially in regards to the Equitable Share Grant for poverty alleviation through the subsidising and provision of basic services. The municipality decreased the monthly household income amount to qualify for Indigent Subsidy and subsequently more disadvantaged households benefit from this.
- Increased debt collection through the implementation of the municipal credit control policy. Debt collection increased from 72% in 2006 to 93% in 2008.
- Optimal utilisation of the Integrated Housing Funds. Funds allocated to the municipality were spent to the amount of 134%. The municipality successfully negotiated additional income and built more houses for disadvantaged families.
- A 94% utilisation of funds allocated from the Municipal Infrastructure Grant. The municipality's spending of these funds was much higher than the average of local authorities.
- Political stability and cooperation between political parties to such an extent that it became a hall mark of the authority.
- Refining of the administration to one of excellence with a high degree of efficiency. Restructuring on macro and micro levels ensured efficient and quality services to communities.
- Successful introduction of Town Management. Subsequently local government was expanded to the people and services occurred on ground level.
- The negotiation and implementation of a development programme from the Development Bank of Southern Africa. This programme focuses on Grabouw and the implementation is alleviating poverty through job creation.
- The successful drafting and implementation of a local Integrated Development Programme (IDP) with public participation and support through imbizos and functional ward committees.
- Linkage of the IDP with the budget for 2008/09.
- The linkage of financial and budgetary processes with the Municipal Financial Management Act (MFMA).
- Capacity and infrastructure development and upgrading through the Budget of 2007/08.
- Acknowledgement for Theewaterskloof Municipality as the third best municipal service provider in the Western Cape.
- Sustainable local and regional economic growth through infrastructure development that succeeded to attract investors.

In view of our collective achievements since 2006 I am thrilled about the recognition we received. The municipality was indicated as the third best municipal service provider in the Western Cape; received a Golden Key Award for promoting access to public information, and was runner up in the Govan Mbeki Housing Programme for government entities. All this indicates a high level of capacity for service delivery and a municipality in service of its constituency.

The resurrection of the Theewaterskloof as a financial viable, service delivering and sustainable third tier government was brought about by council and the administration. I subsequently extend a word of thanks and appreciation to my fellow councillors, the executive mayoral committee and others. I appreciate the dedication, expertise and leadership of the Municipal Manager. Thank you also to the heads of departments and the personnel. Thank you all for your continuous support and co-operation.

Thanks and Praise to our Heavenly Father for His guidance. Without him nothing would have been possible.

Alderman Chris Punt
Executive Mayor
Theewaterskloof Municipality



1.2 OVERVIEW BY THE MUNICIPAL MANAGER

True to our Strategic Vision i.e. to transform and position the Municipality as a Competitive Developmental Local Authority the emphasis during this year shifted from the 2006/07 internally focused and capacity building approach to a more externally focused approach.

During this year we realized that Poverty, Unemployment, Substance and Alcohol Abuse, crime, AIDS and family violence are in the main symptoms of insufficient economic growth and activities in our municipal area. It has also been realized that the most critical obstacle towards addressing an estimated R185 million back log in infra structure and bulk services, and in creating an economic development enhancing environment, is the current level of financial viability of the Municipality.

The Theewaterskloof Municipality is still too reliant on Grant Funding and accordingly has little if any ability to, with appropriate certainty; plan ahead for infra structure and bulk service replacement, upgrades and expansion. In many towns the condition of water, roads and sewerage infra structure and bulk service capacity is already or fast nearing a critical point. The ESKOM tariff increases and only one example of dramatic input cost increases the Municipality will in future years have to accommodate, have placed the Municipality's financial viability and financial ability to respond to the above backlogs under further pressure. It has left the Council with no other option but to during the past year and in preparation for the 2008/09 Financial Year, consider tariff and rates increases much higher than what we would have liked it to be. It is realized that continuous increases can not be avoided but that it should be minimized and be considered as a final option and only once everything else has failed. It is being realized that sharp future increases can damage the economy and reduce our competitiveness as a preferred investment destination of choice. It can also just result in further financial hardship and in an escalation of the social problems referred to above.

Another huge challenge and even threat to the financial viability of a municipality with such a large poor community and an extremely narrow revenue base is the unfunded mandates we as a municipality are required to accept responsibility for and here we are thinking of Library Services and the upgrading and expansion of infra structure and bulk services resulting from our highly successful Housing Projects in particular. The Theewaterskloof Municipality may be forced to scale its Housing Projects down significantly unless National Government can find a way through which financial assistance can be provided to the Municipality and which can enable this Municipality to reduce or even eliminate the impact of its Housing Projects on its infra structure and bulk service demands.

Grabouw is in terms of back logs and basic needs as well as financial viability still the Municipality's single greatest operational challenge. In partnership with the DBSA the Municipality has completed a range of studies and developed a range of strategies and initiatives through which the integrated and independent sustainability of such a Town and its immediate area can be secured.

It is in the light of the above therefore critical to also expand the revenue base of the Municipality and now critical to facilitate and initiate increased economic growth and activity in the municipal area. Developing appropriate economic and tourism development strategies and action plans in consultation with key stakeholders in the respective towns are already in an advanced stage. It is also critical to identify key stakeholders and partners that can assist and support the Municipality in its endeavours and already a positive response is being experienced. Various other initiatives and studies in making the Municipality a more Developer friendly organization are also underway.

During the past year an exceptional and specific effort was made to improve the standard of Corporate Governance in the Municipality. The standard of Financial and Budget Management and Administration received specific attention. Provincial Treasury has been highly satisfied in its oversight capacity with the standard of financial accounting, practices and reporting. The Council received an unqualified Audit Report for the 2007/08 financial year and which is a further indication that the standard of our financial and budget administration is accurate, healthy and sound and amongst the best in the Local Government Sector.

It has always been one of our priorities to move and remain closer to our communities and to be directed by their expectations, perceptions and priorities. As a result the Ward Committee system was in its totality reviewed and restructured and aligned with the so called Town Management model that was introduced during the previous year. Such an intervention also enabled us to review our IDP process and structures and the result was a much more reliable IDP outcome. Communication remains a challenge and the fact that we were the national runners up in the so called Golden Key Awards (Promotion of Access to Information Act) will not result in the Municipality now relaxing and neglecting its responsibility in achieving an even higher standard in communicating with its communities. News letters are for example now at most of the Towns being issued by the respective Town Managers every second month. In such news letters we attempt to provide the local residents with some insight into what is being planned for their Town during the next two months, and what has been achieved during the previous two months. Not only are these news letters being used as a communication tool but also as reporting tool through which the community can monitor our performance on an ongoing basis.

An information bulletin which addresses frequently asked questions on indigent subsidies and other service delivery issues, was also circulated to improve the consumer's knowledge in these areas.

Creating increased accountability has been another focus area during the past year and as a result various mechanisms have been introduced through which performance could be monitored and measured. Through the Service Delivery and Budget Implementation Plan mechanism standards have been set for each of the corporate departments and the town offices. They are now required to report on a quarterly basis to their respective Port Folio Committees and Ward Committees on their performance and progress. Becoming more competitive is another organizational value the Theewaterskloof Municipality intends to promote amongst its staff. As a result we have introduced the so called Town of the Year Competition through which the performance and progress of the respective towns in a range of categories were compared and assessed. Due to the success achieved with such a competition the intention is to in future extend such a competition to include the corporate departments as well.

It was also a special moment for us this year when the Municipality was announced as the Runner up in the Western Cape Govan Mbeki Housing Awards and especially taking into consideration the low performance levels we inherited in 2006.

Compared to the previous year we have achieved exceptional Capital and Operating Budget expenditure levels and that confirmed that we have been successful in creating critical capacity levels. In the past poor spending of the budget could be directly attributed to insufficient capacity.

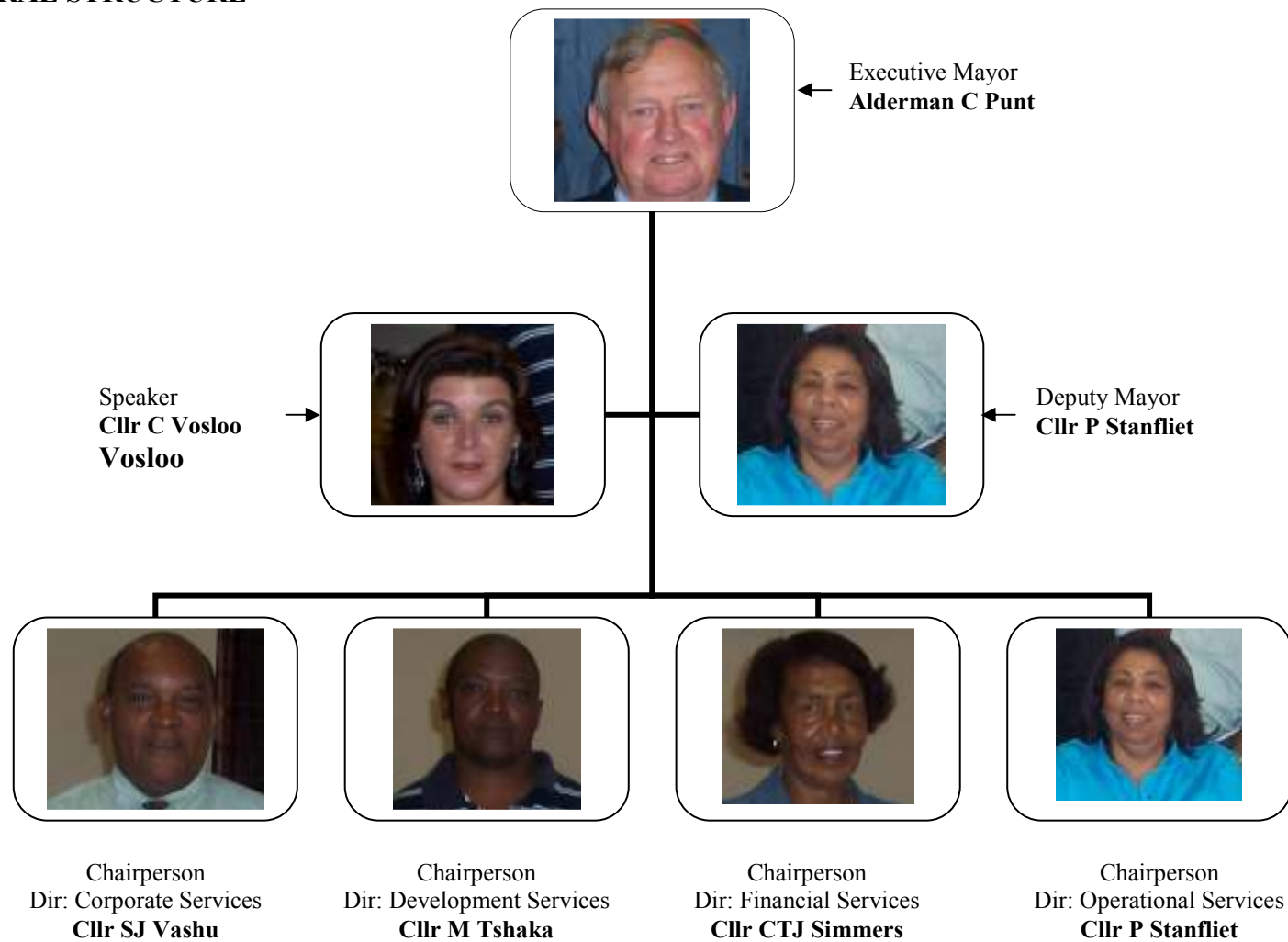
I am satisfied that we have been able to establish most of the fundamentals required for securing longer term sustainable growth and development. We have resisted the temptation to continue with short term symptomatic solutions to the problems and longer term challenges of our communities and the Municipality. We have accepted that we may not during this term of this Council see all the fruits of what we are trying to achieve, but we have accepted responsibility for attacking the actual causes of the problems in our communities and in the Municipality. The Council would have succeeded if by the end of the current five year term it has built and developed a Municipality and environment which contains all the fundamentals of sustainable growth and development.

Aligned with our strategic vision of becoming and remaining a competitive developmental local authority, the focus will during future years shift towards Financial Viability along with local economic development issues as the single greatest sustainability challenge for the Municipality to address.

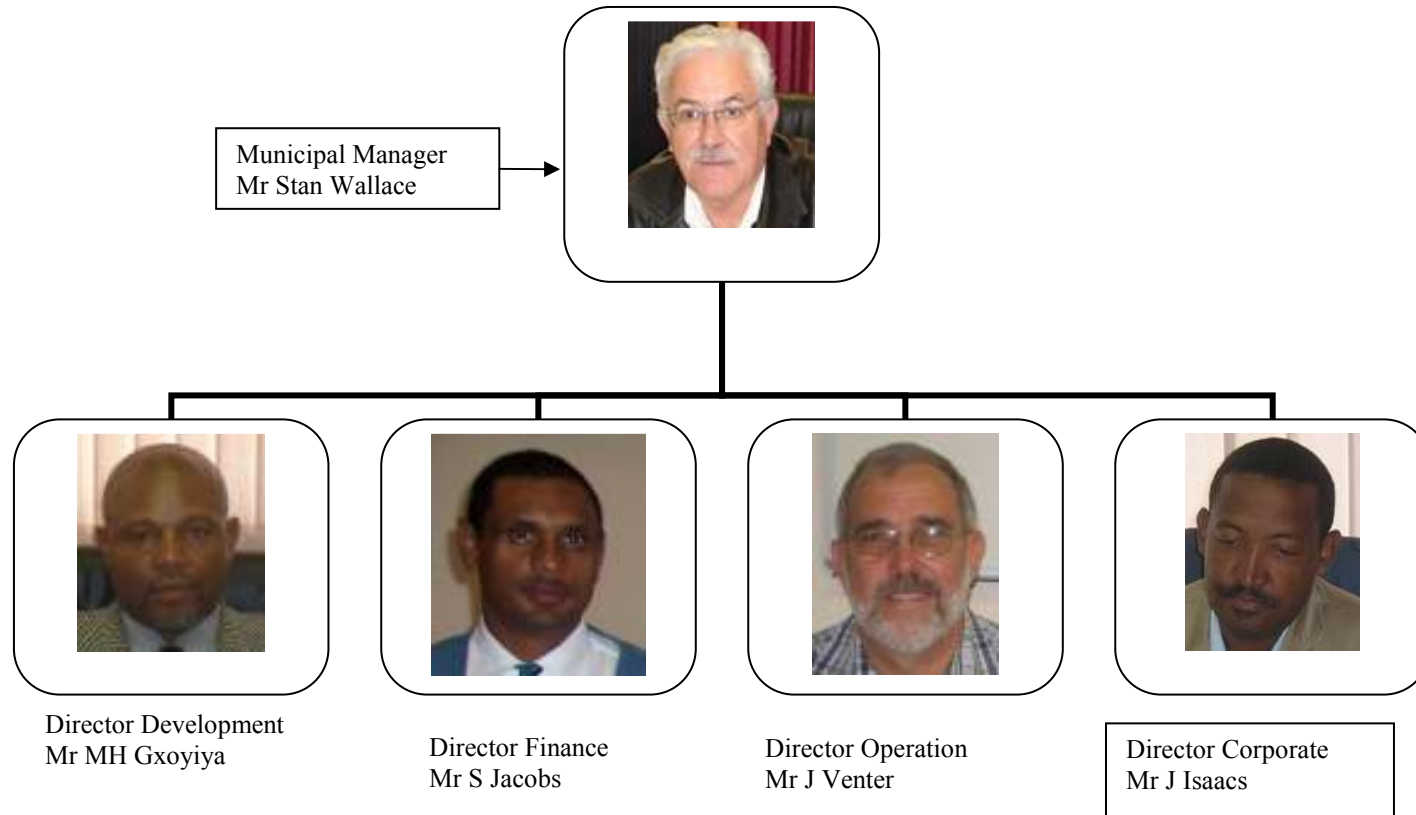
Stan Wallace

Municipal Manager

1.3 MAYORAL STRUCTURE



1.4 MANAGEMENT STRUCTURE



1.5 OVERVIEW OF THE MUNICIPALITY

Theewaterskloof Local Municipality consist of eight towns, which are divided into 12 Wards. The following towns fall within the extended area of the municipality:

Urban Areas:

Caledon / Myddleton
Grabouw
Riviersonderend
Villiersdorp
Bot River
Genadendal
Greyton (Including Heuvelkruin)

Peri-urban / Rural dense areas:

Bereaville
Boschmanskloof
Voorstekraal
Tesselaarsdal / Bethoeskloof

Rural areas:

Farms

The total demarcated municipal area to be serviced by the Theewaterskloof Municipality covers some 3246 Ha.

The main land use components that characterize this area are as follows:

Agriculture	1630 Ha	(50.1 %)
Residential	12.3 Ha	(0.4 %)
Industrial	0.5 Ha	(0.02 %)
Waterbodies	76.55 Ha	(2.48 %)
Other	1526.6 Ha	(47 %)

There are no National Parks within the TWKM area. The largest of several Conservation Areas within the TWKM area is the Cape Nature Conservation managed by Theewaterkloof Dam near Villiersdorp. A portion of the Hottentots Holland Nature Reserve also lies within the TWKM area. There are also small nature reserves at Caledon and at Villiersdorp while Greyton has a 2220 Ha mountain and fynbos nature reserve. There are bird sanctuaries at Drayton and Boontjieskraal to the east and west respectively of Caledon.



The topography of the TWKM area covers the complete spectrum of

- Mountainous topography especially on the northern side in the Greyton / Genadendal areas and the north western side in the Villersdorp area.



- Rolling grassland topography along the central and eastern part of the municipal area.



- Riverine topography along the banks of the Riviersonderend.



Total population

The age and gender profile of the various communities may be indicative of development needs and socio-economic status. The information below is for 2001 and was taken from the Statistics SA Census 2001 data.

Settlement Type	Permanent resident population	Residents (15 to 65 years)	Youth and Aged residents (< 15 & >65 years)	Male residents	Female residents
Caledon	11145	7704	3441	5582	5563
Botrivier	4054	2769	1285	2015	2039
RSE	3602	2294	1308	1725	1877
Grabouw	21602	14667	6935	10772	10830
Villiersdorp	7564	5198	2366	3729	3835
Greyton	1884	1237	647	928	956
Genadendal	4660	2885	1775	2196	2464
Farmland	38761	27239	11522	21528	17233
Total	93272	63993	29279	48475	44797

Most of the abovementioned areas especially Grabouw & Villiersdorp experience rapid population growth mainly due to continued migration of job-seekers to the fruit farms in the area. People come to the area with the hope to find seasonal employment on the farms & fruit processing factories. If they are not successful they cannot afford to go back and then settle mostly in the informal settlements in Grabouw which places tremendous pressure on the already limited resources of the Local Authority and other service providers. The increasing migration trends places strain on the existent infrastructure and pressure on the local authority to provide an increasing amount of services and infrastructure delivery.

In other areas such as Genadendal and Tesselaarsdal, where very little or no job opportunities exist, a totally opposite effect is being experienced. Especially people in the age groups between 20 – 49 migrate to the urban areas of the Cape Peninsula in seek of better job opportunities.

Employment Profile

The employment profile below reflects the data from (2007 Community Survey).

	Black		Coloured		White	
	No of people	%	No of people	%	No of people	%
Employed	6800	62	22962	62	2752	58
Unemployed	2332	21	5028	14	105	2
Not economically active	1824	17	8829	24	1874	40
Total	10955	100	36820	100	4731	100

Unemployment is much more prevalent amongst Black and Coloured communities and is a clear indication of how the social investment in the TWKLM area should be distributed.

Businesses in Theewaterskloof area struggling to find labour to meet their needs, yet just fewer than 40% of people are unemployed. The agricultural sector has turned to labour brokers to assist them to address the problem or to directly recruiting labour from the Eastern Cape in season and hence the vicious cycle of growth in size of Communities resulting in major challenges, to mention so:

- Poor Communities' are inability to pay for infrastructure and municipal services.
- Poverty is challenging the municipal budget;
- Growth in number and size of informal settlements increases the demand for job opportunities, coupled with better living conditions for all;

1.6 VISION, MISSION AND STRATEGIC PRIORITIES

VISION

It is the vision of the Theewaterskloof Municipality to ensure and preserve the heritage and natural resources within the region, create and develop a safe, healthy, crime free, economically sustainable and viable environment for all.

MISSION

To provide, develop, and promote equal opportunities for everyone to stay in a safe, health, crime free, economical sustainable and viable environment through transparent and effective governance, political stability, planning, services and the efficient and effective utilization of resources.

STRATEGIC PRIORITIES

In September 2006 a Planning Workshop took place in Simons Town for the Municipal Council. The purpose of the workshop was to assess the future and to develop a strategic and operational agenda in securing the durable success of the Municipality.

It was also necessary to develop a strategic position on the way forward before the commencement of the new generation IDP process and before commencement of the related public participation exercises in order for council to be to able to provide guidance and direction.

The general observation of the Municipal Manager was to take action that will stabilise the municipality and to develop and optimise capacity that will focus on development and service delivery backlogs. Hence the IDP/Budget Theme for the 2007/2008 financial year was ***“CAPACITY BUILDING”***.

The focus areas for the financial year as per the five National KPA's were as follows:

Service Delivery

<u>Outcomes</u>	<u>Measurable outputs</u>
Customer Relations And Satisfaction Improvement	<ul style="list-style-type: none"> ➤ Identify as the most Critical Service Delivery Issue ➤ Decentralize of Service Delivery by Introducing The Town Management Model ➤ Consideration of Call Centre
Transforming LED	<ul style="list-style-type: none"> ➤ Focus on core areas of TWK <ul style="list-style-type: none"> • Incentives to support infrastructure and services • Marketing • Availability of land
Upgrading general appearance of Towns	<ul style="list-style-type: none"> ➤ Beautification ➤ Maintenance of public open spaces ➤ Vacant plots
Zero Tolerance Approach	<ul style="list-style-type: none"> ➤ Terms of enforcing compliance with Council Bylaws, policies etc. ➤ Building regulation ➤ Squatter control ➤ Traffic law enforcement
Sport and recreation development	<ul style="list-style-type: none"> ➤ Provision of related facilities and infrastructure ➤ Important community development solution
Improve administration of housing	➤ Management of Housing projects
Disaster Management Planning	➤ Preparation and Readiness
HIV/AIDS	➤ Hospice facilities
Refuse Removal Services	➤ Management of solid waste and disposal sites
Service Delivery to farming communities	<ul style="list-style-type: none"> ➤ Farm evictions ➤ Housing to evicted farm workers ➤ ESTA
Eradication of bucket system	➤ Progress

Capacity Development

<u>Outcomes</u>	<u>Measurable deliverables</u>
Development of infrastructure	<ul style="list-style-type: none"> ➤ Emphasis on fleet and bulk services for housing projects. ➤ Upgrading of facilities required for LED and sport and recreation.
Development of service improvement and CRM enhancing policies, procedures and systems	<ul style="list-style-type: none"> ➤ Identify and review: <ul style="list-style-type: none"> • Resource intensive processes and systems. • Processes that are obstructing or delaying development ➤ Processes focused processes should be enhanced that enable development.
Optimization and utilization of available land	<ul style="list-style-type: none"> ➤ Obtain more land. ➤ Develop a spatial development frame work with the specific intention to improve Council's ability develop.
Organization	➤ Improve CRM environment and skills.
Decentralization	➤ Develop decentralized capacity at the town office in order to assist and support decentralized service delivery initiatives.

Financial Viability

<u>Outcomes</u>	<u>Measurable outputs</u>
Viability Improvement Strategy	➤ Compile formal strategy

Corporate Governance

<u>Outcomes</u>	<u>Measurable outputs</u>
Establishment of Corporate strategies, policies and framework	<ul style="list-style-type: none">➤ Decision Making (Council)➤ Monitoring compliance➤ Regulate Administration➤ Interaction
Improvement in Public Participation Structure and Process	<ul style="list-style-type: none">➤ Enhance IDP process➤ Concentrate on Function of Ward Committees and CDW Process
Nature and Constitution of Council Committees	<ul style="list-style-type: none">➤ Analyses on type and nature of Committees required to govern optimally➤ Constitution for standing rules committee➤ Disciplinary committee➤ Task Teams➤ Steering committees➤ Re-alignment and review of composition of Port Folio Committees
Council Support Service	<ul style="list-style-type: none">➤ Improving processing of Councilor complaints, enquiries and service delivery request➤ Monitoring of progress➤ Process reporting➤ Implementation of Council and Committee Resolution and Policies

Local Development

<u>Outcomes</u>	<u>Measurable outputs</u>
Identify land for development	<ul style="list-style-type: none">➤ Make audit of available land
Develop a short, medium and long term LED strategy	<ul style="list-style-type: none">➤ Consider and adoption by Council➤ Holistic economic growth perspective➤ Make provision for BEE
Develop appropriate capacity to support LED	<ul style="list-style-type: none">➤ Consider previous failures➤ Re-launching of previous projects
Update SDF	<ul style="list-style-type: none">➤ Expand Urban Edge in areas where no land is available
Assess Developer Interest	<ul style="list-style-type: none">➤ Anticipate Development➤ Prepare for infra structure and bulk services
Seek Win-Win situations	<ul style="list-style-type: none">➤ Council make choice of most benefit for TWK and most viable
Preference to local business community and labour	<ul style="list-style-type: none">➤ Tenders Awarded➤ And Employees appointed
Aggressive Marketing and incentive package	<ul style="list-style-type: none">➤ Introduce towns and area to investors and attract
Explore joint ventures and partnerships	
Complete transformation process in Genadendal	<ul style="list-style-type: none">➤ Open area for development
Service Delivery Budget Implementation Plan	<ul style="list-style-type: none">➤ Serves a strong Economic Development Agenda

CHAPTER 2

PERFORMANCE HIGHLIGHTS

2.1 DIRECTORATE OPERATIONAL SERVICES

2.1.1 Water Services

Grabouw Bulk Water Infrastructure capacity upgrading

The Bulk Water Infrastructure Capacity was planned to be upgraded from the water source, starting at the Eikenhof dam, up to the Steenbras Reservoir in the west where most of the new development will be taking place. The programme involved the upgrading of pump stations, installation of larger diameter pipes and the construction of a new high altitude reservoir in the vicinity of the current Steenbras Reservoir. The implementation of this R 24 million upgrading programme has been divided into four phases to coincide with the availability of funding and approval of EIA's. The first two phases was completed within the 2007/2008 financial year.

Phase 1, entailing the construction of a new 315mm dia rising main from the Water Treatment Works up to the Steenbras Reservoir, was completed in November 2007. The total cost of this phase of the project amounted to **R2, 054,654.80**

Phase 2 of the project involved the construction of a new 400mm dia pipeline between the Worcester Street PS and the Water Treatment Works. This phase of the project commenced in January 2008 and was completed in November 2008. This phase of the project amounted to **R 4,622,634.59**.

This project caters for the water needs of the growing population of Grabouw and will also enable the future development of the town insofar as low cost and other housing projects are concerned.

Water treatment solution for Voorstekraal

The contamination in the feed water at Voorstekraal consisted of suspended solids; as a result, a physical barrier filtration had to be used.

The Siemens – Memcor, ultra filtration membrane was used as the main treatment process. The membrane is rated at 0.04 micron removal rating. The fixed pore structure in the membrane, produce a constant quality filtrate, regardless of variations in feed quality. The defined removal rating of the membrane, comply too international standards for potable water filtration.

The water is treated in two steps. The first step is the removal of Fe (Iron) and the second step is the removal of all suspended solids in the water.

Process description

Water from a borehole is pumped to a buffer tank at the filtration plant. The water is then treated to remove the Fe (Iron) in the water. Fe is oxidised by media housed in retrofitted sand filtration housings. The oxidised iron in a solid format is partially removed by the media and completely filtered out by the ultra filtration membrane. The media gets regenerated on a continuous base by using ozone enriched water for backwashing. The process reduces the need for chemicals and runs at very low operating costs.

The water gets accumulated in a second buffer tank. Out of the second buffer tank the water is pumped through a course strainer to the ultra filtration membrane system. The membranes operate in a dead end mode with periodic backwashes. The filtered water from the ultra filtration membranes, flow to the 30 000 litre clean water storage reservoir. From here the water is gravity fed to the houses in Voorstekraal.

Benefits

- Potable water is produced to SABS Class 1 standards without the use of chemicals.
- PLC operation does not require full time operator.
- New technology producing superior quality water, at reduced operating costs.

Data Loggers

Eight (8) data loggers have been acquired during the 07/08 financial year and have been installed in-house at the three boreholes in Botrivier, one borehole in Tesselaardal and Reservoirs in Riviersonderend and Badsberg Reservoir in Caledon. As a result of these installations, the municipality can now effectively manage water provision. The municipality is currently busy with the installation of the remainder of the data loggers at the boreholes in Voorstekraal, Greyton and Villiersdorp.

2.1.2 Sanitation (Sewer Services)

Botrivier Upgrading of WWTP

The 2007/08 financial year saw the continuation of the acquisition and assembly of electrical and mechanical equipment and structural components of the Wastewater Treatment Plant. The municipality also received the environmental authorisation from the Department of Environmental Affairs and Development Planning and construction on site will commence in September 2008.

Greater Genadendal Bucket Eradication

This project entailed the eradication of 476 buckets in the towns of Genadendal, Voorstekraal, Bereaville and Boschmanskloof. The project achieved the eradication of all the buckets by the National target date of 30 December 2007. The existing sewer reticulation system was expanded in Genadendal to allow for the connection of the newly constructed toilet top structures to the network. Voorstekraal were also reticulated to ensure connection to the sewer network. Due to a lack of funding Bereaville could not be reticulated and the flash toilets had to be connected to conservancy tanks. Boschmanskloof was already reticulated and the project only included the construction of the toilet top structures and connection to the existing network. The installation of the sewer reticulation network in Genadendal and Voorstekraal also indirectly provides 7,671 Households with access to full water borne sanitation system.

Beneficiary's summary table

Town	Number of buckets eradicated
Genadendal	261
Voorstekraal	91
Bereaville	75
Boschmanskloof	49
TOTAL	476

Grabouw Bulk Sewer Infrastructure capacity upgrading

The Bulk Sewer Infrastructure Capacity from the Rooidakke Housing development has been planned to be upgraded from the west up to the Waste Water Treatment Plant in the East. This involves the elimination of the Appetizer pump station, the upgrading of the Pineview pump station and installation of larger diameter pipes. Implementation of this R 11 million upgrading programme has been divided into five phases to coincide with the availability of funding and approval of EIA's.

Three of the phases were completed during the 2007/08 financial year.

Phase 1, the construction of a new 315mm dia gravity sewer from Ou Kaapse Weg to Oude Brug Road commence in November 2007 and was concluded in April 2008. The total cost of this phase of the project amounted to R 1.056, 839.56.

Phase 2B construction of a new 355mm dia gravity sewer main from Rooidakke housing to Pineview Pump Station and Phase 4, decommissioning of the Appetizer pump station and construction of new 250mm dia gravity link sewer between Appetizer and Pineview Pump Stations. These phase commenced in January 2008 and the total project amounted to what R 1,868,250.62.

2.1.3 Electricity

High mast Lightening

High mast lighting was installed in the New Frans informal settlement in **Botriver**. The total cost of the project was R247 200 which was funded by the MIG Program. Three 18m masts were installed to cover the area. The need for lighting was identified by the community and was one of the prioritized IDP projects.

By increasing visibility at night, this project has created a safer environment for the inhabitants of New Frans.

Streetlights

Streetlights were installed in the housing project in **Botriver**. The total cost of the project was R161 850 and was funded by the MIG Program. A total of 49 lights were installed.

Both projects made a huge difference in the safety and security situation in the abovementioned areas in **Botriver**.

Electricity Master Plan for Villiersdorp.

The electricity master planning for Villiersdorp has been finalised and will be used in the preparation of the electricity budget for Villiersdorp.

2.1.4 Solid Waste Management

Improvements to the disposal of solid waste in the Greater TWK are were brought about by the following means:

- From the IWMP (integrated waste manage plan) it was clear that TWK were operating waste sites without permits. To rectify the situation the services of a specialist was contracted to design and acquire the necessary authorization for public drop-off facilities (transfer stations) in Genadendal and Botrivier. The facility in Genadendal will serve the communities of Greyton and Genadendal and will be constructed on the waste water treatment site in Genadendal. Formal application will then be lodged for the closure and rehabilitation of the sites in Greyton and Genadendal. The facility will most probably be constructed during the construction of the new link-sewer that will transfer Greyton's sewerage to the works in Genadendal.
- The construction of the facility in Botrivier in September 2008 in conjunction with the upgrading of the WWTP(Waste Water Treatment Plant). This will assist with the safe disposal of sludge emanating from the works and provide the community with a solid waste facility.
- Garden refuse in Grabouw and Villiersdorp is also addressed with everything being removed to Karwyderskraal and authorization was granted to perform composting at Villiersdorp. This initiative will address the fruit and garden waste in an environmentally safe manner.

2.1.5 Roads

Pavement Management System

A Pavement Management System (PMS) was installed during the 07/08 financial year. The project included the collection of the road network information including road type and category as well as street names and lengths (asset register) . This was followed by a road or in engineering terms pavement condition survey followed by the analysis thereof to identify, quantify and prioritize needs. This information was used to guide the 08/09 budget and work programs.

The municipality can now manage and maintain its roads infrastructure more effectively.

2.1.6 Fleet Management System

The municipality installed 24 on-board computers and the Fleet Management Software during the 2007/08 financial year. The Fleet Management and Tracking system create a foundation for sound fleet management process. The system has the functionality for monitoring and managing driver and vehicle performance, controlling communications costs, reporting on fleet operating costs, active and passive tracking of vehicles and drivers, location management, route planning and variance reporting, vehicle maintenance reporting and service reminders ext.

2.1.7 Environmental Management

The following objectives were achieved:

Arboriculture Management:

In partnership with the Department of Water Affairs and Forestry, 1805 indigenous trees were planted in the following Towns:

- Grabouw = 205
- Villiersdorp = 75
- Caledon = 75
- Riviersonderend = 1075
- Greyton = 300
- Genadendal = 75

Alien Vegetation Management:

Approximately 17 hectares of Alien vegetation was eradicated on the mountains above Greyton as well as the Bath River in Caledon. Eradication of Alien Vegetation within municipal boundaries is done in partnership with Cape Nature.

Conservation Management:

Theewaterskloof Municipality lies within the Cape fynbos area. The areas which fall within the municipal boundary is managed in partnership with Cape Nature.

The Municipality has commenced registering all Theewaterskloof Nature reserves and Nature Gardens as zone 3 entities to secure the future of the Nature reserves.

2.2 DIRECTORATE DEVELOPMENT

2.2.1 Integrated Development Planning

The achievements of the IDP section in terms of its strategic objectives are as follows:

Strategic Objective

Review and Refine the IDP and Public Participation Process through awareness creation in turn increasing our Social and Human Capital within our communities.

Targets (2007/2008)	Actual Achieved	Means of Verification	Blockages/Variations
Review and refinement of IDP	100%.	The Public participations held from 15/01 2007 to 04/02/2007. Total number of people attended from all wards amounted to 1710. The IDP and Budget was adopted on 29 March 2007.	
Review and refinement of a Performance Management System.	0%.		The tender was advertised twice during the 2007/2008 financial year. For the first round the tender was withdrawn as service providers did not adhere to

			the criteria. Tender was re advertised and the closed on 9 May 2008. Approval has been granted to extend the tender validity period. Tender was withdrawn as it was realised that the SDBIP and PMS can be coordinated into one system, hence saving the organisation on expenditure. The Scope of works were rewritten and the tender will be re advertised in January 2009.
(2006/2007) Annual Report	100%.	Adopted on 29 March 2008.	
SDBIP	100%.	Adopted on 26 April 2007	

Other Performance Highlights

Public Participation

The public consultation process was done in all eight towns during the 2007/2008 planning process. The public participation process was dealt with in a decentralized manner where each Town manager was entrusted to coordinate the process within their Towns with the assistance of an official in the speaker's office. The above mentioned officials were assigned to champion the dissemination of information and the logistical arrangements (i.e Securing of venues, Mobilization of stakeholders and provision of transport for the participants).

International Community Development Project: Theewaterskloof Municipality/Hogeschool van Arnhem en Nijmegen [HAN], University of the Western Cape [UWC] and- Cape Peninsula University of Technology [CPUT]

The Theewaterskloof/UWC/HAN Partnership Programme is a partnership between the Municipality of Theewaterskloof, the University of the Western Cape, University of HAN (The Netherlands) and The Cape Peninsula University of technology. The purpose of the programme is to contribute to the social and economic development and the eradication of poverty in selected communities in Theewaterskloof Municipality.

The following initiatives took place during this implementation year.:

Sports

Rooidakke, Molteno Farm, and Maxonia Primary School projects consisted off Self defence Classes "Stand Your Women" and soccer initiatives.

Dietician

Soup Kitchen at Gerald Wright Hall and Vivian's Multipurpose Centre with 16 Distribution Points was established. An analysis was done to determine the diet of the community and what the nutritional value in their diets was.

Physio Therapist

The students worked and gave assistance to Physio therapists at Huis Silwer Jare, Agape Family Ministries, Pre-primary and Early Childhood Development centres.

Primary School Students

Students were placed at Kathleen Maree Primary School & Pine View Primary Schools where they assisted teachers with children with special needs.

2.2.2 Local Economic Development

Strategic Objective:

Conduct an in-depth analysis of the Local economy, identify driving sectors and compile Town based strategies through the input of the local stakeholders.

Targets (2007/2008)	Actual Achieved	Means of Verification	Blockages/Variations
Establish a local Economic Development Forum	50% (only 50% was targeted for this financial year)	Theewaterskloof economy comprises of three leading sectors; agriculture, tourism and community development. An <i>advisory forum</i> has been established for each of the leading sectors. The forums met on quarterly basis. The role adopted by the municipality is one of an enabler and facilitator. Ideas, challenges and interventions discussed at the forums are fed into the corporate IDPs, which in turn allow for structured planning and addressing issues at the micro level (town management level).	
Enhance public participation in each town through LED summit	50% (only 50% was targeted for this financial year)	One-on-one interviews with local businesses, representatives of NGOs and CBOs, as well as local bodies such as the Tourism Associations where held. Other meetings held were: ▪ Economic Sector	Summits were delayed due to external factors and managements directive. Feedback workshop with the broader community, where identified interventions were prioritized and champions for each of those

		meetings (tourism, agriculture, retail, realtors, manufacturing and agri-processing) <ul style="list-style-type: none"> Engagements with the 2nd economy representatives and SMMEs Ward Committees 	interventions identified has been rescheduled for September 2008.
Relevant LED Policies be compiled and implemented	0%		Policies are to follow strategy. The delay of the summit (public participation workshops) resulted in delayed policy development.
Alignment of LED strategy with District/Provincial /National Strategies	0%		Adoption of strategy by council delayed due to the linking of SDF to the LED Planning. District Strategy is in the process of being reviewed and coordinated attempt to align actions and interventions with the District had been fruitless.
Develop a corporate strategy and action plan for each town and link into IDP and budget	25%	Strategy for Villiersdorp and Grabouw completed. Task/focus groups identified.	Decision to align the revision of the SDF with the formulation of LED strategy for better future planning delayed the process.

Other Performance Highlights

Job creation and Poverty Elevation.

The advantage of availability of labour, proximity to Cape Town and value for money light industrial premises, seemed reasons enough to have attracted a well know clothing manufacturer (Prestige Clothing) to the area. The opportunities for the new entrant (be it new to the area, yet long standing and award winning amongst its competitors), the operation could treble in size over the next three years, providing much needed employment.

The factory has employed over 80 people and is looking at future expansion of premises to add additional 80 positions to their employment base.

Benefit derived from such project does not only realise through the income generated on the rental of the building but also should be viewed through the added economic value to the area.

Institutional Processes

TWKs decision to bid in the Local Economic Development Initiative offered by DBSA presented an opportunity to unlock certain processes needed to expedite the institutional readiness for an economic turn around.

The rationale behind the partnership stems from the fact that the Municipality acknowledges that in order to increase its financial viability it needs to plan and drive processes with a focus on the Local Economic Development.

- To be sustainable the Municipality needs an economic growth rate of 5% in the area to increase its rates base.
- To halve unemployment growth of around 5% is needed along with a focus on labour intensive sectors.
- To retain the income in the municipal areas the resident volumes need to be increased through the development of a residential node in the municipal area.

The expectations in terms of the partnership are:

- Technical expertise
- Process facilitation
- Grants for planning processes
- Leveraging of other government funds
- Catalytic project loans at favourable rates
- Infrastructure loans

To date: numerous engagements with various sectors have been completed, namely the tourism, agricultural and community development sectors, resulting in clear objectives and interventions being identified in those sectors.

Tourism

Tourism being one of the three economic drivers in the area has largely been dependant on private sector initiative and financial support. Despite limited budget, the municipality extended financial support to the amount of R50 000 each to four local tourism associations, Elgin Valley Tourism, Caledon Tourism, Villiersdorp and Riviersonderend Tourism bureaus.

The Municipality also participated in the annual Tourism Indaba in Durban, showcasing the numerous offerings the area has to flaunt both to local and international visitors alike.

Four New Tourism offices were established.

Grabouw:

- Members: 82
- Visitor Information: 1000 local: 63 International (12 Month period)
- Partner organizations: SATSA FEDHASA, Cape Town Tourism
- Highlights: Upgraded Office; Sports events Exposure e.g. Cape Epic, Open gardens Weekend, Website attracting Attention, Wine Farms doing well, Waterski school and a number of unusual Activities
- Challenges: Lack Of finance

Caledon:

- Members: 48
- Partner organizations: None: Sponsorship was offered by Overberg Agri and Century Casino
- Challenges: Lack Of finance
- Future Plans: Projects, Events, Programs and different Marketing Strategy

Riviersonderend: Establish in Nov 2007

- Nine Members
- Visitor Information: 159 International and 213 Local

Villiersdorp: Establish in March 2008

11 Board Members and 22 members

2.2.3 Integrated Human Settlement

Targets (2007/2008)	Actual Achieved	Means of Verification	Blockages/Variations
Develop Strategic Integrated Development Plan for TWK	20%		Adoption by different bodies still outstanding.
Develop relevant policies and Implementation Guidelines for the management of Human Settlements	90%	1 st draft of Emergency Housing Policy completed but not approved. 1 st draft of Housing Allocation Policy completed but not approved.	Draft has not been workshopped with all stakeholders.
Manage the contracts of external service providers	ongoing	Compliance, audit queries received	
Manage new Human Settlement Projects	59%	Villiersdorp = 107 units Genadendal = 26 Caledon = 30 Grabouw = 4 Riviersonderend = 100	
Ensure compliance with National Norms and Standards for new developments	100%	Audit queries	
Manage Informal Settlements	85%		Monitoring for growth by officials is inadequate. Funding to maintain external service provider insufficient
Ensure beneficiaries enjoy right to tenure	20%	Number of title deeds and leases signed	Transfer of land to Municipality is time consuming.
Ensure skills	ongoing	Staff attended external	

development of staff and beneficiary communities		housing courses. Internal staff directives issued. Public consultations had with Communities	
Develop a Housing Demand Data Base	100%	Existing database which is updated on a continuous bases.	Funding required to purchase a proper system.

Other Performance Highlights

Overview 2007 - 2008

Housing projects were undertaken in all of the Towns falling within the jurisdiction of the Theewaterskloof Municipality. The Municipality acted as the Developer and the projects followed the Contract Built and Peoples Housing Process (PHP).

Funding Allocation

The Provincial Housing Department initially allocated R23mil and because of excellent planning and housing delivery through the Municipalities Housing Implementing Agent, Yethu Projects, was later awarded extra funding, which resulted in more than 120% of the initial allocation being spent.

Govan Mbeki Housing Awards



Theewaterskloof Municipality was honored to receive second place as Municipality of the year in the Provincial ***Govan Mbeki Housing Awards*** held in Cape Town.

The award was received by the Executive Mayor, Ald Chris Punt and the Municipal Manager, Mr Stan Wallace.

The Provincial Minister of Local Government and Housing of the Western Cape, Minister Richard Dyantyi made a special reference to the improvement which Theewaterskloof Municipality made during 2006/07 with Subsidized Housing.

The evaluation process focused on a variety of key performance areas such as the development of sustainable human settlements, upgrading programmes for informal areas, capacity building and the provision of housing and job creation.

The adjudication was performed by an evaluating team consisting of representatives of the National and Provincial Housing Departments, Housing Institutions and recognized Building Associations.

The Executive Mayor gave the assurance that Theewaterskloof Municipality will strive for first place at next years awards, as this year's runner up was not far behind the winning Municipality of Knysna.

The Grabouw Sustainable Development Initiative

The Grabouw Sustainable Initiative in Partnership with the Development Bank of South Africa (DBSA) has blossomed and in turn has delivered the following within this financial year:

- Rooidakke - completely re-designed Spatial Development Plan outlay of 710 Units. This has resulted in an increase of 272 Units.
- Pineview - Infill sites were identified and Site Development Plans drafted – 162 Units Application was submitted to PGWC Housing Department for funding.
- Hillside - New Site Development Plan was drafted where old Hostels are situated. The Hostels prefabricated top structures will be removed and new row design semi- detached duplex houses constructed thereon – 438 Units identified.
- Waterworks Site – Topographical Survey completed +/- 500 Units envisaged
All the houses have 2 bedrooms and are extendable.



Three houses were constructed in the Rooidakke area to show case the sustainable aspects of the new developments. All the houses have 2 bedrooms and are extendable; the houses were orientated to optimize the sun for heating in the winter and shade for cooling in the summer. The denser double story designs will result in savings on civil construction costs. Further issues of sustainability are solar water heaters and water saving devises that will be installed in all the houses.

2.2.4 TRAFFIC AND LAW ENFORCEMENT

Organisational Transformation

Independent assessment consultancies were approached to access the operational challenges and internal control measures in the Traffic Department.

The Terms of Reference for the investigations were as follows:

- Staff Capacity.
- Morals and skills of employees.
- Equipment and fleet.
- Customer relation and communication.

- Compliance with existing national and provincial legislation
- Existing standard operational procedures.
- Investigate the internal control measures.
- Investigate the relationship between service provides and the employees of Theewaterskloof.
- Investigate the issuing of learner and driving licences.
- Investigate security systems already in place.

The outcomes of the assessments were as follows:

- Few policies existed in respect of standard operating procedures.
- The contract with the service provides have not been managed appropriately.
- Duties and responsibility were not clearly defined.
- Inadequate accountability control measures.

Staff Development

- 5 Officers were sent for training as Examiners of Drivers Licenses
- 3 Officers are Xhosa speaking to address the community needs
- 2 Law Enforcement Officers were send for traffic training. They will be the first female traffic officers in the traffic department after the completion of their training course
- 1 Regional Inspector Law Enforcement officer (FEMALE) were appointed to erase the imbalances of the past....

Licences Issued in 2007/2008

Year	Motor Registrations	Vehicle Licenses	Learner licences	Drivers licences	No of Traffic Offences
2006/2007	2341	29411	2764	1401	50182
2007/2008	4712	28016	4640	2619	47214

2.2.5 TOWN PLANNING

Revision of the Spatial Development Framework

In terms of Section 26(e) of the Municipal Systems Act (Act 32 of 2000), every municipality is required to formulate a Spatial Development Framework as a part of its Integrated Development Plan (IDP). Taking into account the current pattern of land use and the nature of development in the municipal area, a Spatial Development Framework is required to describe in words and illustrations how the Municipality sees desirable future patterns of land use and development in its area of jurisdiction. In essence, it is the Municipality's spatial "Vision" of what the TWK Municipal area will look like in years to come.

The Spatial Development Framework is a legally enforceable component of the IDP, which indicates both the Municipality (councillors and officials) and to the public (developers, land owners, etc.) where certain types of land use and associated developments are permissible, and

where certain activities are unlikely to be permitted. Therefore, the Spatial Development Framework also functions as a framework for public and private sector investment and different types of levels of development in that area that are identified in the TWK area as appropriate or suited to such development.

As a result of increased pressure for development and to address the changing needs and perceptions of the community, the Theewaterskloof Municipality has embarked on the revision of the current Spatial Development Framework approved in January 2005 in terms of the Municipal systems Act, 2000 (Act 32 of 2000) for the Theewaterskloof municipal area and to replace it with a new SDF in terms of Section 4(6) of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

Urban Dynamics Western Cape: Town and Regional Planners were appointed to review and withdraw existing structure plan in terms of Section 4(7) of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985). It was also decided that the following structure plans will either be withdrawn or amended:

Withdraw:

Botrivier Local Structure Plan (November 1990)
Grabouw Local Structure Plan (April 1991)
Grabouw Urban Structure Plan (Guideline Plan) (April 1985)
Villiersdorp Structure Plan (February 1990)
Tesselaarsdal Spatial Development Framework (May 2001)
Botrivier Spatial Development Framework (March 2002)
The Caledon Local Structure Plan (January 2003)
Myddlyton Structure Plan (March 1994)
Riviersonderend Structure Plan (November 1997)

Amend:

Greyton Revised Local Structure Plan (May 2000)

The structure plans listed to be withdrawn, will be replaced with the new SDF in terms of Section 4(6) Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985). Structure Plans to be amended will be simultaneously approved as a local structure plan in terms of Section 4(10) of the Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985).

During the 2007/2008 financial year Urban Dynamics commence with the project initiation which involves the following:

- Prepare draft scope of work;
- Brief sub-consultants;
- Present brief, programme, process and level of detail to client;
- Establish technical committee
- Obtain PAWC consent 4(1) and conditions 4(4) to prepare 4(6) structure plan/SDF and
- Advertise commencement in terms of LUPO.

Urban Dynamics also started with the strategic revision of existing development perspective which includes the update baseline data, analysis and the revised development perspective report.

Development of Zoning Scheme

The fact that municipalities were consolidated in the year 2000 and that several formerly independent municipalities were amalgamated into one “new” entity, necessitated the compilation of new regulations, or, as they are now called, “By-Laws”. Theewaterskloof Municipality replaced the former municipalities of Caledon, Villiersdorp, Grabouw, Riviersonderend and Greyton as well as the hamlets formerly served by the Overberg District Council (i.e. Middleton, Genadendal and Tesselaarsdal). There were basically three systems in place. Villiersdorp and Grabouw had their own Section 7 Zoning Schemes and most of the other places fell under the general Section 8 Scheme Regulations. Currently land use control in the municipal sphere is undertaken in terms of the Planning Ordinance. The National Constitution empowers municipalities to adopt by-laws (a form of regulatory measure) for local government matters over which they have executive authority (e.g. municipal planning). For the sake of effective administration and to prevent confusion it became imperative that these zoning schemes be combined into a single by-law.

TV3 Architects & Planners (Pty) Ltd was appointed on 15 September 2005 to compile an integrated zoning scheme for the Theewaterskloof Area. The advertisement of the draft revised Zoning Scheme appeared during August 2008 in the relevant local newspapers for comments which will be considered and reviewed to be incorporated in the zoning scheme. The draft zoning scheme will be forwarded to Council and the Department of Environmental Affairs en Development Planning for final revision.

In House Land Use Applications:

Various land use applications on municipal land are prepared in-house by officials. These applications include the following:

- Botrivier Convenient Shop (Erven 2593 – 2600, Botivier).
- Caledon Library & IEC Office (Erf 613, Caledon)
- Caledon municipal offices (ERf 587, Caledon)
- Erf 1721 Villiersdorp (rezoning of a portion street)
- Riviersonderend refuse site (remainder of erf 289, Riviersonderend)
- Rezoning of erf 3574, Caledon (Victorial Hall) to Business Zone I (for the purpose of a lifestyle retail centre)
- Shawss Pass rezoning.

Policies

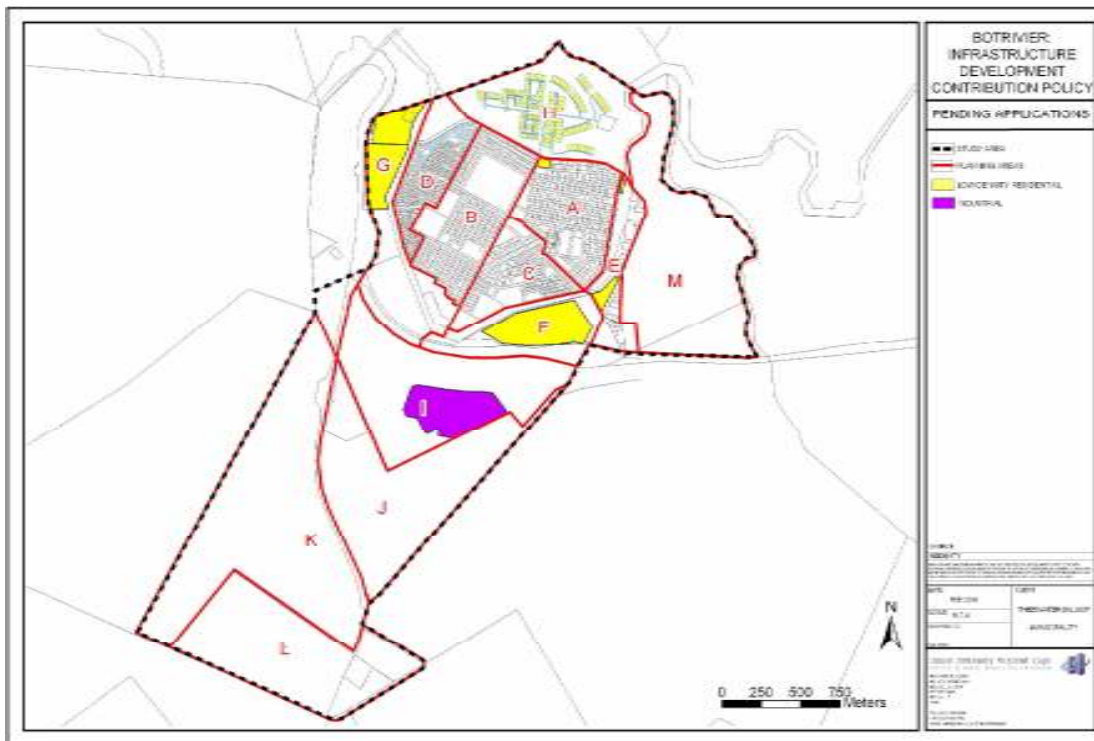
The Town Planning Section completed a policy regarding the permanent departure on the existing building line restrictions of informal and low cost housing developments as well as semi-detached/terraced houses in informal residential zones. This policy serves as guideline for the granting of departures in terms of building plans and lay-out plans for the land uses for existing as well as new developments.

Botrivier Development Contribution Policy Project

Theewaterskloof Municipality found themselves in a situation where there were a need for development but limited information regarding bulk municipal engineering services and value of development contributions were available. Alwyn, Laubscher & Associates were appointed on 30 October 2007 for the provision of professional services for the development and implementation of an infrastructure development contribution policy for Botrivier.

A growth model is not a Spatial Development Framework and has no formal status. A Growth Model is a mere tool for engineers and town planners to base conceptual planning for bulk services and future developments.

A growth model determines the bulk infrastructure needed to accommodate the proposed growth, quantify the bulk infrastructure needed and determine development contributions. With the relevant conceptual master planning and development contributions available the municipal engineers can now evaluate a new development application and facilitate the process to implement infrastructure.



Land Use Applications Received and Processed during 2007/2008

Consent Uses

Town	Application Fee Per Application	Amount Applications	Total
Caledon	R 1070.00	2	R 2 140.00
Genadendal	R 1070.00	1	R 1 070.00
Greyton	R 1070.00	1	R 1 070.00
Grabouw	R 1070.00	1	R 1 070.00
Farms	R 1070.00	5	R 5 350.00
Riviersonderend	R 1070.00	2	R 2 140.00
Tesselaarsdal	R 1070.00	1	R 1 070.00
Villiersdorp	R 1070.00	1	R 1 070.00
Total			R 14 980.00

Removal of Title Deeds Restrictions

Town	Application Fee Per Application	Amount Applications	Total
Caledon	R 1 070.00	1	R 1 070.00
Genadendal	R 1 070.00	1	R 1 070.00
Greyton	R 1 070.00		
Grabouw	R 1 070.00		
Farms	R 1 070.00	1	R 1 070.00
Riviersonderend	R 1 070.00	1	R 1 070.00
Tesselaarsdal	R 1 070.00		
Villiersdorp	R 1 070.00		
Total			R 4 280.00

Departures

Town	Application Fee Per Application	Amount Applications	Total
Botrivier	R 280.00	2	R 560.00
Caledon	R 280.00	6	R 1 680.00
Genadendal	R 280.00	1	R 280.00
Greyton	R 280.00	5	R 1400.00
Grabouw	R 280.00	5	R 1 400.00
Farms	R 640.00	7	R 4 480.00
Riviersonderend	R 280.00	3	R 840.00
Tesselaarsdal	R 640.00	1	R 640.00
Villiersdorp	R 280.00	5	R 1 400.00
Total			R 12 680.00

Rezonings

Town	Application Fee Per Application	Amount Applications	Total
Caledon	R 2 130.00	6	R 12 780.00
Genadendal	R 2 130.00		
Greyton	R 2 130.00	1	R 2 130.00
Grabouw	R 2 130.00		
Farms	R 2 130.00	8	R 17 040.00
Riviersonderend	R 2 130.00	3	R 6 390.00
Tesselaarsdal	R 2 130.00	1	R 2 130.00
Villiersdorp	R 2 130.00		
Total			R 40 470.00

Subdivisions

Town	Application Fee Per Application	Amount Applications	Total
Botrivier	R 1 070.00	1	R 1 070.00
Caledon	R 1 070.00	4	R 4 280.00
Genadendal	R 1 070.00		
Greyton	R 1 070.00	5	R 5 350.00
Grabouw	R 1 070.00	2	R 2 140.00
Farms	R 1 070.00	16	R 17 120.00
Riviersonderend	R 1 070.00	5	R 5 350.00
Tesselaarsdal	R 1 070.00	3	R 3 210.00
Villiersdorp	R 1 070.00	4	R 4 280.00
Total			R 42 800.00

From the above, it is clear that town planning forms part of the drive force to generate income for the municipality. In order to ensure that the town planning department will support the financial viability of this municipality, it was also decided to improve on service delivery by appointing two town and regional planners as well as a town and regional planner in training. It is unfortunately not always possible to measure the direct financial viability of town planning projects/applications, given the extent of proposed developments.

GIS Section

Base maps for registered erven of all towns within Theewaterskloof Municipality have been formulated. These maps get updated monthly as properties are registered.

Maps are being produced within the organization (cutting down on cost paid to consultants) for various usages within the towns as well as clients and stakeholders. Street names and numbers get allocated using GIS.

2.2.6 BUILDING CONTROL

Appointment of Building Control Officers

Two Building control officers were appointed in the fourth quarter of the financial year.

On establishment of the building control unit, new systems were put in place. Submission of plans and building registers was moved from the Town offices to the corporate office in Caledon. When plans are submitted and fees are paid it is first circulated to the Technical Officer in that specific town for services, then to Town Planning, Finance, Electricity, Health Inspectors, Fire Department and in some cases the Aesthetic Advisory Board. The building unit requires the public to settle their outstanding accounts on rates, water, etc before the approval of their building plans. Only then can the plan be recommended for approval if it has met with all the different departments' requirements.

Building Plans Income

Below is a reflection of the building plans income generated during 2007/2008 financial year:

Town	Total Income
Caledon	R 191,031.03
Botrivier	R 4,213.65
Grabouw	R 106,797.01
RSE	R 22,942.25
Greyton	R 21,976.58
Genadendal	R 21,628.20
Villiersdorp	R 34,126.23
Tess	R 287.88

2.2.7: PROPERTY MANAGEMENT

Strategic Objective

To enhance Municipal Financial Viability through optimal Management and utilisation of fixed Assists.

Targets (2007/2008)	Actual Achieved	Means of Verification	Blockages/Variations
Increase property sales <ul style="list-style-type: none"> ▪ R1.5m Greyton House ▪ R300 000,00 Erf 317 Joubert Str Caledon ▪ R1,2m Industrial erven ▪ R400 000,00 (20 of 108 Bergsig erven) 	25%	11 Industrial erven sold in May 2008. Income of R 2,391660.00 received in the September 2008. Council Resolution.	Subdivision and rezoning for erf 317 was not completed due to under capacitated Town Planning department. The offer made on the auction for Greyton House (09 May 2008) not excepted by council. Bergsig tender not allocated due to high escalation of building costs which could not be accommodated in the tender. Regulation 44 of the Supply Chain Policy prohibits state employees (main target market for this development) to purchase municipal property.
Compile leasing register for 8 towns	100%	Completed database.	
Compile Security register for 8 towns (SG Diagrams / Title Deeds)	100%	Completed database,	
Review existing lease agreements	0%		Under capacitated department.
GIS Mapping of Council owned land	0%		SDF process delayed creating a backlog for the given target.
Backlog of outstanding transactions	50%	50% of the estimated backlog of outstanding transactions was dealt with and still remains one of the biggest challenges in this section.	

The property market is directly linked to the performance of this section. The unstable property market has impacted negatively on this department.

The biggest challenge for development in TWK is inadequate infrastructure. One of the various approaches to help solve the matter was to create a pilot in the form of a Development Contribution Policy in Bot River which will be later used in the other towns, whereby the developer will make a contribution to help improve the infrastructure.

The exceptionally restrictive municipal legislation leads to a long decision making process and the time consuming method can sometimes be wrongly interpreted as poor service delivery.

Other Performance Highlights

Fixed Asset Policy

The Fixed Asset Policy for Theewaterskloof Municipality was adopted by council in 2007. The objective of this policy is to give effect to the applicable legislation, and ensure that assets are utilised and maintained in an economic, effective and efficient way.

2.2.8 LIBRARIES

Strategic Objective

To provide access to information and to promote information literacy amongst our communities.

Targets (2007/2008)	Actual Achieved	Means of Verification	Blockages/Variations
28 special events held by libraries	100%	Holiday programmes, junior literacy competitions, women artist commemoration, soul buddy meetings, career orientation classes held during the year.	
Number of items borrowed from libraries/increase in percentage	345 120	Monthly statistics	Underperformed compared to 2006/2007 due to varied market needs which moves towards the information communication technologies rather than printed material.
Internet connections @ libraries	100%	1- Grabouw 1- Caledon 5- Villiersdorp 5- Genadendal	Lack of funding delayed the ICT connections to the remaining libraries. Libraries still remain an unfunded mandate to the municipality.
19 PCs Made accessible to the public	100%	1- Grabouw 1- Caledon 5- Villiersdorp 5- Genadendal 1- Botriver 2- RSE 4- Greyton	
5 % membership increase	1,79%		Use of personal computers and internet access makes people less reliant on library services.
5 special exhibitions held	100%	1- Grabouw- local Birds 2- Villiersdorp- Violence Against Women and Children and HIV/Aids 1- Genadendal- Nutrition 1- Caledon- Wild Flowers	

Other Performance Highlights

Cape Access Project

Dedicated staff is striving to meet the ever changing needs of their communities.

Two libraries have been successfully providing access to Information and Communication Technologies in their communities, narrowing the digital divide and allowing for easy and affordable access to the global village.

With the recently launched Cape Access Project championed by the Department of the Premier, the Genadendal Library is now able to accommodate anyone wishing to join the cyber community and offer the best “on line” experience to the residents of the greater Genadendal area.

Winner of Best Library

Villiersdorp Library, proud winner of the best library in TWK in 2008 has been providing an extensive array of services ranging from career guidance seminars for the school leavers, number of cultural affirmation programs and outreaches in the community, literacy workshops and exciting school holiday programs.

Ongoing partnership with Exclusive Books has expanded the reading material on offer beyond the quarterly supply provided by Provincial Library Services, ensuring an exciting range of reading material for even the most discerning bibliophiles.

2.3 DIRECTORATE CORPORATE SERVICES

2.3.1 Administration

Golden Key Awards

Theewaterskloof Municipality was honoured with a Golden Key Award for exceptional compliance with the Promotion of Access to Information Act, *Act 2 of 2000*.

The Act provides everyone with access to information for the exercise or protection of the rights of individuals and communities.

The Golden Key Award, a joint initiative of the South African Human Rights Commission and the Open Democracy Advice Centre, promotes public access to information at private sector and government institutions such as municipalities. This year 49 entries were received from the government sector and various individuals and bodies in various categories were honoured.

During the recent Golden Key occasion at the Eskom Conference Centre in Midrand, Theewaterskloof Municipality was honoured for the application of best practice in terms of the Act concerned and the authority received honourable mention in the category for accessibility to and availability of information.

Ms Alison Tilley, Chief Executive Officer of the Open Democracy Advice Centre in Cape Town congratulated Theewaterskloof Municipality on the award. “It is an exceptional achievement if the restricted finances and personnel of local authorities is taken into account. Due to the limited resources of local authorities we envisage establishing a category for smaller municipalities next year. Theewaterskloof Municipality has demonstrated that they can compete with the best”, Tilley said.

Alderman Chris Punt, Executive Mayor of Theewaterskloof Municipality announced to the media that the achievement is a tribute to the authority and the determination of the personnel to maintain the structures for the meaningful availability of information to the public.



The proud recipients of the Goldon Key Award are Mayor Alderman C Punt and Manager Administration Mrs M Faul.

Other Performance Highlights

<i>Performance Indicators</i>	<i>Compliance</i>
➤ Agenda's distributed to Council, Executive Mayoral Committee and other committees (5 working days prior to date of meeting)	100%
➤ Recording of incoming mail on the filing system (Within 24 hours)	100%
➤ Agenda's distributed to Management (3 working days prior to date of meeting)	100%
➤ Minutes distributed to Council, Executive Mayoral Committee and other committees and management. (Within 7 working days of date of meeting)	100%
➤ Requests in terms of the Act on the Promotion of Access to Information Act 2 of 2000	100%

2.3.2 Legal Services

Genadendal Settlement Agreement

During November 2002 the Council appointed Urban Dynamics as service provider to handle the Genadendal Transformation Process in terms of the Transformation of Certain Rural Areas Act, 1998 (Act 94 of 1998) on behalf of the TWK Council.

The Transformation Process came to a stand still due to differences between Urban Dynamics and the Genadendal Transformation Committee. Many attempts by the Council to get the process finalised, failed.

In November 2006 the Transformation Committee brought an application in the Cape High Court with TWK and Urban Dynamics as respectively second and third respondents.

TWK opposed the aforementioned application by the Transformation Committee.

On a request from the TWK Municipality the Transformation Committee re-considered their position and agreed that the application can be settled by means of a negotiated settlement agreement.

The parties decided on a mediation process. An independent mediator was appointed and the mediation took place on 26 and 27 September 2007 as well as 13 December 2007.

The mediation process led to a settlement agreement being reached. The agreement was approved by the Council of TWK on the 25th June 2008. The agreement was signed by TWK, the Department of Land Affairs and the Transformation Committee. This agreement paves the way for the successful completion of the Transformation process in the 2008 / 2009 financial year.

2.3.3 Valuations

Municipalities have in the past rated property in terms of the old Provincial Ordinances. The Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) replaced the old system of property valuation and rating based on the old Provincial Ordinances. The 1st of July 2009 was set as the implementation date of the Municipal Property Rates Act for all municipalities. For implementation of the Act in 2009 the municipality had to:

- Prepare general property valuation rolls;
- Develop rates policies;
- Consult the community on their draft rates policies;
- Adopt rates policies;
- Adopt by-laws to give effect to the adopted rates policies;
- Gazette the property valuation rolls for public inspection outlining also the process of raising objections; and
- Outline to the public the appeal process regarding outcome of objections.

Municipal Valuers was appointed in 2007 after an open and transparent tender process to conduct the municipality's General Valuation and the First Supplementary Roll after the General Valuation and the Supplementary Valuation Roll for 2006/2007 and the 2007/2008 financial years. A Valuation Officer was also appointed in January 2008 to oversee the implementation of the Municipal Property Rates Act. In January 2008 the Municipal Valuers finalized the municipality's Supplementary Valuation Roll. The Supplementary Valuation Roll was successfully implemented in June 2008. At the end of the 2007/2008 financial year the valuers had 80 % of the general property valuation roll finalized.

In the 2008/2009 financial year this department will focus on the development and adoption of a rates policy, consult the community on their rates policy, adopt by-laws to give effect to the adopted rates policies, Gazette the property valuation rolls for public inspection outlining also the process of raising objections and outline to the public the appeal process regarding outcome of objections.

2.3.4 Office of the Speaker

Establishment of Ward Committees

The ward committees were re-established in August 2007 as it was clear that the representation of the previous committees were not a true reflection of all the organizations and geographical areas.

The 12 newly established ward committees had their first IDP meetings between 22 October and 1 November 2007 where they created a list of IDP projects on behalf of their wards.

Town Advisory Forums (TAF) was established in towns which had more than one ward committee. The TAF consist of all the ward committees in a specific town and discuss issues that influence the entire town.

The 12 ward committees are well represented by Stakeholder Organizations as well as Geographical representatives.

Ward committee meetings took place religiously bi-monthly. Special meetings were arranged when urgent matters arouse.

Training for Ward committee members took place during October – November 2007. The ward committees have shown their commitment to the process and they have received certificates for their attendance.

Support for the Ward Committees

- A full-time official in the Office of the Speaker has been appointed who is responsible for monitoring the success of the ward committee system on behalf of the speaker. This official also deals with public participation within the Municipality, provide support to the councilors and administer the community development workers.
- TWK Municipality also introduced a town management model to decentralize service delivery. A town manager has been appointed within each town and an Administrative Officer who is the administrative support for the ward committees in a specific town. These staff members are responsible for attending all ward committee meetings and to assist the ward councilor and ward committee members in fulfilling their administrative functions like minute-taking.
- Transport is provided to ward committee members to attend meetings and training sessions.
- We annually make provision for ward committee functionality in our budget.

Political and Administration Stability

After the 2006 election serious efforts were made to ensure that political stability was created in TWK. It was realized that it was also necessary to focus on the relationship between politicians and administration.

The team building spirit was initiated with the first Strategic session for Councillors and Senior Management which was held in 2006 in Simons Town. This was followed with another Strategic session in 2007 in Goudini where the focus of the outcomes of the 2007/08 budget was discussed and planned to ensure that TWK becomes one of the major developmental Municipalities in the Western Cape and South Africa.

The improved, and almost perfect, cooperation between Councillors and between Councillors and Administration started to bear fruit during the 2007/08 year as it became clear that we were starting to address the backlogs in service delivery.

2.3.5 Office of the Municipal Manager

Town of the Year Competition

TWK Municipality held a Town of the Year Competition and budgeted for such an event in the 2007/08 financial year. The competition was a great success and the achievement of this internal competition is visible. The competition was followed up by an investigation of the 2 towns that took positions 4th and 5th. The project included the inputs from stakeholders such as Rate Payers Associations, Ward members, Esthetical Committees ext.

The outcomes of the competition are as follows:

- Visible improvements in the general appearance of the Town.
- Visible improvement in the standard of service and customer relations related structures, processes, expectations and perceptions etc.
- A competitive spirit and culture in other words a clear attempt to compare itself with external benchmarks and best practices and previous standards and a clear indication of continuous improvement on such standards.
- A clear indication that the Town is preparing and positioning itself as a developmental Town i.e. in terms of economic as well as social development (eg. the establishment and upgrading of infra structure and bulk services ,the forming of key partnerships and the development of appropriate competitive capacity).

The following were the final results of the competition with Caledon/Botrivier/Tesselaarsdal as the overall winners

CATEGORIES	1st	2nd	3rd	4th	5th
i. Cleanest and best looking Town.	Cldn	RSE	Vdorp	G/G	Grab
ii. The best standard/ condition of infra structure, equipment and fleet.	Cldn	Grab	Vdorp	RSE	G/G
iii. The best level of Operations related service delivery.	Cldn	RSE	Grab	G/G	Vdorp
iv. The best level of Development related services.	Cldn	Grab	Vdorp	RSE	G/G
v. The best level of Financial Management and Administration.	Vdorp	RSE	G/G	Cldn	Grab
vi. The best level of corporate governance, institutional transformation, human capital management and development, public participation structures development and management	RSE	Cldn	Grab	G/G	Vdorp
vii. Best level of customer relations and stakeholder management.	Cldn	Vdorp	RSE	Grab	G/G
viii. Most successful in dealing with an exceptionally challenging situation during the past year.	G/G	Cldn	Vdorp	Grab	RSE
ix. The most transformational town in terms of positioning itself from a competitive and or developmental point of view.	Grab	Cldn	RSE	Vdorp	G/G
x. The Town Manager which had to overcome the most challenging obstacles and barriers in stabilizing and positioning its Town.	Cldn	RSE	G/G	Grab	Vdorp

CLDN – CALEDON / BOTRIVIER / TESSELAARSDAL
RSE – RIVIERSONDEREND
G/G – GREYTON / GENADENDAL
VDORP – VILLIERSDORP
GRAB - GRABOUW

2.4 DIRECTORATE FINANCIAL SERVICES

Financial Viability

Debt Collection:

- **Debt Collection Strategy** has been drafted and adopted by Council on 27.07.2006.
- **New Indigent, Credit Control and Debt Collection Policies** have been drafted and Work shopped on 01-02 March 2007 before being tabled for approval.
- **Indigent Register** Compiled a new, credible register. Ward Councilors have verified and certified correctness of indigents register for their respective wards. CDW's were engaged in the process after being work-shopped and given a detailed background regarding the importance, accuracy, objectivity and value of such a register and how it affects service delivery and the impact on council's Budget and Finances). CDW's were used to optimally utilize existing resources without incurring additional costs.
- Proper **Indigents Management** and controls put in place has "saved" council substantially on subsidising households not qualifying but received the subsidy. A credible process of registration and verification was identified. Money paid to subsidise "ghost" Indigents is now applied for service delivery.
- In June 2007 we took a bold and conscious decision to terminate attorney debt collection and established a **Debt Collection Unit**. Staff have been trained and further capacitated on "Telephonic Debt Collection Techniques". It is unique in municipalities who are too reliant on attorneys who in most cases exploit the municipalities and the consumers. Files have been withdrawn from the attorneys to ensure a more cost-effective and advantageous in-house collection. Debtors are paying directly at our offices instead of at attorneys who charge huge sums in legal fees and interest at the disadvantage of both the municipality and the debtors.

In the process our **customers are being rehabilitated** and their **dignity restored**. The current winners are both council and the debtors (instead of the attorneys). With the attorney collections debtors' dues have increased substantially. A great deal of exploitation was also evident. We have the expertise to deal with all the legal processes internally and much more efficiently.

An **Sms System** was introduced to send debtor balances and arrangement reminders every month. It is however a cumbersome process. Some positive results are already visible but the full impact cannot be seen immediately due to the ineffective debt collection methodology.

- Temporary Meter Readers were appointed permanently to ensure commitment and stability. Meter Readings have been standardized with electronic readings in all towns, along with training. Senior Clerk positions have been filled to ensure monitoring and addressing variance reports and quality control. Letters are issued to consumers where meter reading is hampered by gates locked, meters covered, dogs, etc.).
- **Debtors: Incorrect profiling** of debtor type, ownership not conclusive. We have already done substantial work.
- **RDP House "sold" and rented.** Owners disappearing and leaving huge debts which are also not settled by "new owners" or tenants who cannot be registered as legitimate owners/tenants. This also impacts negative on addressing housing backlogs and squatter control. Tracers have been

appointed and our Housing Department is also screening these owners to avoid double-applications and whether they are moving back into the informal Areas.

- **Consumer Queries.** Query Books have been introduced at all offices to have queries officially registered, to have audit trails and to ensure prompt follow-up. This is very critical and a requirement in terms of the Systems Act and improved customer care/relations.
- **Communication with Consumers.** We have introduced a Newsletter to keep consumers abreast of development and first-hand accurate information. We have also commenced with Notices containing valuable information which we tend to take for granted. In our first edition we explained how charges for Water, Electricity, Sewer, Refuse and Assessment Rates are charged and why and what we do with such income.
- **Improving of Account Payment Options** via Easy Pay, Pick n Pay, Shoprite, Spar and viable office hours extension are being explored. (Possibly, during lunch and some Saturdays).
- **Interest Write-off Incentive** has yielded positive results.
- **Rates and Taxes Accounts** not opened in the name of Tenants to ensure easier recoverability and owner will thus not be disadvantaged for unpaid accounts of his/her tenant/s.

Latest Debt Collection Intervention:

- Debt Collection System which inter-phases into our Abakus Financial System.
- Sorting Facility into the Abakus System all delinquent Debt.
- Performance Management in Debt Collection: Allocation of Work, Targets, Monitoring and Evaluation of Collections.
- Provide all processes such for the entire Debt Collection Value Chain (Eg. Issuing of Letters of Demand, Follow-up, Diary Facility, Actions such as Disconnections, Reconnections, Legal Actions, Arrangements/ Acknowledgement of Debt,

Impact: increased debt collection to 94% and with the implementation of an electronic system, this percentage will increase. It should also be noted that customer care and relationship has improved as consumers' dignity has been restored because of the termination of attorney collections which was ineffective.

Revenue Generation

- **Uncharged / Undercharged/Incorrect Charged Levies and Tariffs.** This exercise is ongoing and we have detected some instances where we have lost income.
- **Land Disposal Policy and Strategy.** We have developed a land disposal policy and strategy which will address dormant land to generate income for capital & broaden revenue base.
- **Controls** were introduced to ensure that Rates & Taxes are levied on all land sold.
- **Re-engineering of Tariff Structure to maximize income,** taking into account ability to pay and possible job-creation incentives to businesses. We are charging undeveloped even higher tariffs to encourage development. Higher tariffs for lack of development (to be included in sales agreement).

- Properties **Rezoned or given Special Consent for Business activities** are charged business tariffs (eg professional practices, guest houses, etc). A survey is being conducted to determine all legal/illegal business operations from houses in order to charge business tariffs instead of the lower residential tariffs.
- **Lack of Electricity Supply Revenue** in all towns which narrows the revenue-base. Electricity is a trading service and accounts up to 30-40% of a municipality's operating revenue. We will explore this avenue.
- **Optimal utilization and returns on council land and buildings** (including Report on Council Houses, Rental paid, Occupancy, Valuations, Sale vs Rental Options, Maintenance Cost, etc).
- **Optimal engagement of Project Consolidate** with regards to MIG Funding, Electricity License and other blockages.
- Implementation of the **Property Rates Act** and ensuring that Supplementary Valuations are effected.
- 6kl water free to all households and a R50 basic water fee for all consumers except indigent households means that Council could plough back such funds to service delivery. Savings of approximately R3, 245m per annum, is envisaged.

Other Performance Highlights

Development of the Dashboard Report

- The Idea was based on the Dashboard of a car; it is a very simple and user friendly tool. (There is no need to open the petrol tank to see the fuel level you can get the Information on the Dashboard).
- The Dashboard provides information regarding the Financial Health and the In-Year Performance within a few minutes.
- This report was also requested and provided to a few municipalities in other Provinces to implement..
- It enables the Mayor and Councilors to execute oversight role.
- The Dashboard is also linked to detail financial reports to zoom into if required.
- Financial Reporting is very important to us. It is more valuable than mere compliance.

Equitable Shares

TWK Municipality contributes financially towards the alleviation of its poor families. Although the national norm for financial assistance is R1, 100 the norm in TWK Municipality is R1, 800. This policy insures that more poor people benefit from the payment of equitable shares.

CHAPTER 3

HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

3.1 INTRODUCTION

When the new council came into power in 2006/2007, Theewaterskloof Municipality went through a restructuring exercise with emphasis being placed on corporate governance, critical performance areas and quality service delivery.

This drastic decision to restructure the organisation was due to the following findings:

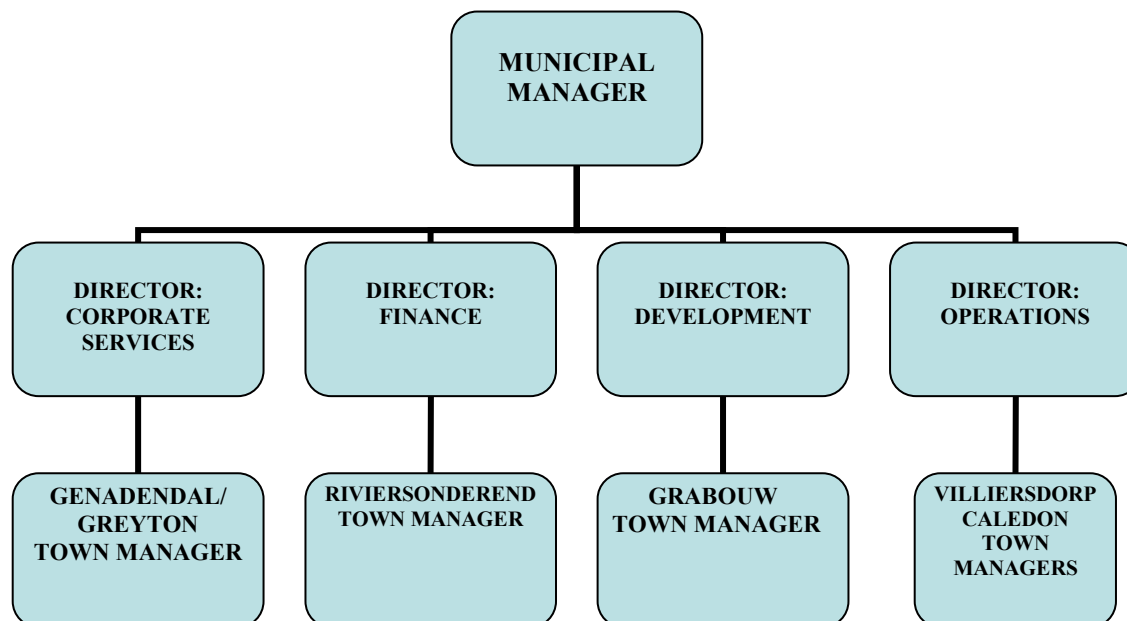
1. Excessive centralization of decision-making, resources and problem solving in Caledon head office.
2. Alienation and disempowerment of local (town) communities and “customers”.
3. Poor supervisory control over town operational and administrative staff- poor discipline and productivity.
4. General deterioration in service delivery and most visible in terms of the general condition of towns, roads, buildings, standard of law enforcement, condition of treatment works, land fill sites, condition of equipment and fleet and no indication of any customer relations sensitivity or practice.
5. Head office staff was continuously finding themselves in a crisis management mode trying to resolve issues in the various towns either by remote control or spending their days on the road rushing from pillar to post in an attempt to put out fires. They were never available to attend to corporate management and corporate governance issues. As a result management matters like budgets, planning, performance management, capacity management, project management and risk management were simply neglected and this resulted in a vicious cycle. The level of professional management was extremely low.
6. When meeting with communities and stakeholder groups like the Chambers and Rate Payer Associations the general consensus was that since senior staff were withdrawn from the Towns service delivery started deteriorating. That to them was the single biggest cause of the situation at the time.
7. The public participation structures in the Towns like for example the Ward Committees and IDP processes were collapsing.

The new administration introduced the Town Management Model with the intention of returning to an institutional model that would retain the benefits of the previous separate municipalities. The smaller local authorities were amalgamated into a single municipality and in the process optimizing economy of scale and skill as well as the more even spreading of scarce resources amongst all communities

The Town Manager module was implemented and the five Town Managers were appointed to manage the various towns.

Four directorates were identified and each director took responsibility for allocated towns.

3.2 ORGANISATIONAL STRUCTURE



The new organisation structure was consulted at the Local Labour Forum and approved by Council in August 2007. Provision was made in the 2007/2008 budget for the recruitment and selection of newly identified positions.

3.3 GOOD GOVERNANCE

Executive Mayoral Committee

Theewaterskloof Municipality has an Executive Mayoral Committee (Mayco). The Mayco remains the final makers of strategic and policy frameworks within which the Port Folio Committees, Ward Committees and the respective components of the Administration have to operate. The Mayor heads up such a structure.

Port Folio Committees

The Port Folio Committees are in effect in the main and in an advisory capacity responsible for the Corporate Management related decisions i.e. in respect of a specific port folio and which in our instance are Finance, Corporate, Development, and Operations. Such Committees need to in the main ensure that suitable strategies, policies, working procedures, service standards, parameters etc are in place in terms of which a particular support service, resource of the Council or service of the Council is performed, managed and administered. The framework in terms of which the Ward Committees and the Town Managers need to act is determined at such a level. Such a committee also corporately monitors compliance with such corporate requirements and monitor performance of the organization in terms of the strategies and standards set by it.

Ward Committees

Such a committee is in the main a service delivery management mechanism. Such a body guides the Town Manager in terms of local service delivery needs, priorities, standards and also acts as the representative monitoring body through which the local community can monitor service delivery implementation, progress and general performance. The successful functioning of the Town Management model is to a large extent reliant on the successful functioning of the Ward Committee system. As a result one of the first transformational interventions we did was to re assess the successful functioning of such committees. They were eventually all abolished and the process of reconstituting, electing and training of such committees was repeated.

Councillor Profile

The table below is an indication of councillor's areas of responsibility, their level of attendance to Council, Mayco and portfolio meetings which can be used to analyse their seriousness in approaching their Governance responsibilities.

Councillor	Party	Capacity	Ward/PR	Town	Meetings Attended		
					Council	Mayco	Portfolio
Alderman C Punt	DA	Executive Mayor	Exco	TWK	14	11	N/A
P U Stanfliet	ID	Deputy Mayor	Exco	TWK	11	9	6
C Vosloo	DA	Speaker	Ward	Villiersdorp	16	N/A	N/A
M Tshaka	DA	Chairperson Development Portfolio	Exco	TWK	13	13	9
C T J Simmers		Chairperson Finance Portfolio	Exco	TWK	16	14	6
S J Vashu	DA	Chairperson Corporate Portfolio	Exco	TWK	16	12	8
P Adams	DA	Member of Operational Portfolio	PR	Riviersonderend	14	N/A	6
D Appels	ANC	Member of Operational Portfolio	Ward	Riviersonderend	11	N/A	3
A M Arendse	DA	Member of Corporate Portfolio	PR	Genadendal/ Greyton	16	N/A	8
M Damon	ANC	Member of Development Portfolio	Ward	Grabouw	11	N/A	3
L de Bruyn	DA	Member of Finance Portfolio	Ward	Caledon	16	N/A	5
C Edson	ID	Member of Operations Portfolio	PR	Caledon	11	N/A	3
A Hattingh	DA	Member of Corporate e Portfolio	Ward	Grabouw	14	N/A	6
P H Makaza	ANC	Member of Operational Portfolio	Ward	Grabouw	13	N/A	5
V C Mazenbe	ANC	Member of Corporate e Portfolio	Ward	Villiersdorp	15	N/A	3
V E Mentile	ANC	Member of Operational Portfolio	PR	Grabouw	9	N/A	3
B Mkhwibiso	ANC	Member of Development Portfolio	Ward	Botriver	12	N/A	5
C November	ANC	Member of Corporate Portfolio	Ward	Grabouw	11	N/A	3
F Booyzen	ANC	Member of Corporate Portfolio	PR	Grabouw	8	N/A	4
J Swarts	ANC	Member of Operations Portfolio	Ward	Grabouw	13	N/A	6
A van Brakel	DA	Member of Finance Portfolio	Ward	Caledon	15	N/A	4
D Veary	ANC	Member of Finance Portfolio	PR	Genadendal/ Greyton	9	N/A	3 (due to illness)
C Woods	DA	Member of Development Portfolio	Ward	Genadendal/ Greyton	16	N/A	5

3.4 GENDER ADVANCEMENT

The 2007/2008 financial year saw advancement in the promotion of Women in the Workplace. Although the top structure (senior management) still lacks in this area, middle management has progressed from **10** females during 2006/2007 financial year to **18** females in the 2007/2008 financial year. Total females in 2006/2007 were **112** and in 2007/2008 it increased to **152**.

The achievement of a truly representative workforce will remain a continuous strive.

3.5 HUMAN RESOURCE MANAGEMENT

Review of Human Resources Policies and Procedures

Theewaterskloof Municipality developed various policies and procedures in order to ensure fair, equitable, effective and transparent human resource management practices to built capacity of the personnel. The following policies were developed and will be implemented after approval by Council:

1. Employment Equity / Recruitment and Selection
2. HIV / AIDS
3. Incapacity / Ill Health
4. Sexual Harassment
5. Scarce Skills
6. Smoking
7. Subsistence Abuse
8. Retirement Planning
9. Unauthorised Absences
10. Uniform Protective Clothing
11. Incapacity – Poor Work Performance
12. Overtime
13. Internal Bursary Scheme
14. Private Work
15. Time and Attendance (unauthorised leave)
16. Relocation
17. Performance Management System
18. Employees in Prison
19. Time off to attend Religious Services
20. Health and Safety Policy
21. Travel and Subsistence Policy
22. New Vehicle Allowance Scheme Policy

Developing and Implementing Of Employment Equity Plan

In terms of Section 21 of the Employment Equity Act, every designated Employer must have an Employment Equity Plan, which will ensure the elimination of unfair discrimination, in order to address the disadvantages in employment experience by designated groups to have equal representation in all occupational categories and levels in the Theewaterskloof workforce.

Consultation (Section 16 & 17) (Code of Practice)

The employer must follow a consultation process at the Employment Equity Committee which should be represented of all employees in:

- | | | | |
|---|-----------------------|---|--------------------------|
| * | designated groups | * | non- designated groups |
| * | all job categories | * | all occupational levels |
| * | union representatives | * | employer representatives |

The employer should be represented by one or more senior managers. The EE committee must meet on a regular basis to discuss progress with the implementation of employment equity.

The numerical goals for achieving equitable representation of the designation groups on the various occupational levels are 50% and it is an ongoing process

The compilation of the Employment Equity Committee was not representative of all the job categories and occupational levels in terms of race and gender. Therefore a new EE Committee had to be established to address equal representation.

Recruitment and Selection

Recruitment for the period 1 July 2007 to 30 June 2008 in each of the stated occupational bands:

Job Category	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, Snr Officials & Managers	3	10	0	1	3	5	1	3	26
Professionals	0	4	0	4	0	0	0	0	8
Technicians & associated professionals		15	1		1	2		1	20
Clerks	3	12	0	0	3	10	0	7	35
Service/Sales Workers	4	8	0	2	0	1	0	1	16
Craft & related trade Workers	0	2	0	0	0	0	0	0	2
Plant /Machine Operators	1	1	0	0	0	1	0	0	3
Elementary Occupations	9	9	0	0	2	8	0	9	37
TOTAL	20	61	1	7	9	27	1	18	137

One of the critical challenges for the newly appointed administration was the need to attract and retain scarce skills within the organisation. This however seemed to be a difficult task as the salary packages offered is not as competitive as the surrounding Municipalities.

Staff turnover for the period 1 July 2007 to 30 June 2008.

Categories	No of People
Resignations	17
Retirements	4
Death Claims	3
Medical disabilities	0
Dismissals	1
Contract Expired	5

Internal Promotions for the period 1 July 2007 to 30 June 2008 in each of the stated occupational bands.

Occupational Level	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	1	0	0	0	0	1	1	3
Mid-management	0	2	0	1	0	0	0	0	3
Junior management	2	6	1	1	0	0	1	0	11
Semi-skilled	4	19	0	0	1	13	0	4	41
Unskilled	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	6	28	1	1	2	13	1	6	58

Total number of employees (including employees with disabilities) in each of the stated occupational bands as at 31 June 2008 are as follows:

OCCUPATIONAL CATEGORIES		MALES				FEMALES				SUB TOTAL MALE	SUB TOTAL FEMALE	TOTAL
		A	C	I	W	A	C	I	W			
Legislators, Snr Officials & Managers	2007	1	6	0	9	0	1	0	3	16	4	20
	2008	4	16	0	10	3	6	1	6	30	16	46
Professionals	2007	0	2	0	1	0	4	0	2	3	6	9
	2008	1	6	0	5	0	2	0	0	12	2	14
Technicians & associated professionals	2007	0	6	0	6	0	1	0	1	12	2	14
	2008	1	21	1	4	1	3	0	2	27	6	33
Clerks	2007	6	24	0	0	12	42	0	16	30	70	100
	2008	9	36	0	0	15	52	0	23	45	90	135
Service/Sales Workers	2007	1	16	0	1	1	0	0	0	18	1	19
	2008	5	24	0	3	0	2	0	1	32	3	35
Craft & related trade Workers	2007	2	30	0	3	1	2	0	0	35	3	38
	2008	2	32	0	1	1	1	0	0	35	2	37
Plant /Machine Operators	2007	7	42	0	0	1	0	0	0	49	1	50
	2008	8	43	0	0	0	1	0	0	51	1	52
Elementary Occupations	2007	33	122	0	1	8	18	0	0	156	26	182
	2008	42	131	0	1	10	26	0	0	174	36	210
TOTAL PERMANENT	2007	50	248	0	21	23	68	0	22	319	113	432
	2008	72	309	1	24	30	93	1	32	410	152	562

Compiling And Implementing The Annual Skills Development Plan

The Skills Development Act places an obligation on all designated employers that have more than 50 employees, to develop and implement a skills development plan that will address the skills development needs of TWK and in this way establish a more skilled workforce to address the need for improved service delivery.

The 2007/2008 Skills Development Plan was submitted to LGSETA on 30 June 2008. Implementation of the training priorities as identified in the plan commenced as from the 1st of July 2008.

The table below provides feedback on training implemented up and until 30 June 2008.

No.	Course Name or QualificationTitle	Name of Provider	Number attended
1	Junior Management Course	Fumana Training Consultants	72
2	Project Management Course	Southern Business School	14
3	Client/Customer Service	Boland College	27
4	Debt Collection – Legal Processes	Boland College	12
5	Sewerage & Water Purification	Chris Swarts Engineering	18
6	Project Management Course	DBSA Vulindlela Academy	36
7	Meetings & minutes taking	Deal Training Consultants	16
8	Electrical Training	Provincial Government	7
9	Secretarial Course / Personal Assistant	Deal Training Consltants	8
10	Integrated Development Planning	DBSA Vulindlela Acaemy	15
11	Skills Development Training	Africa Competency	13
12	Telephone Skills Training	Deal Training Consltants	6
13	Report Writing Course	University of Stellenbosch	16
14	SHE Representative Training	Nosa	28
15	Executive Development Programme	University of the Western Cape	1
16	Management Leadership Training	Elgin Learning Foundation	6
17	Conflict Management	Elgin Learning Foundation	12
18	Maintenance of pumps	Boland Agri Training Centre	12
19	Records Management course	Archives – Province	4
20	Firearm training	J Skog Training	14
21	Driving licenses examiner course	Gene Louw Traffic College	2
26	Basic Supervisory course	Ditlare Training an Development Corporation	13
27	Natonal Diploma: HR	Unisa	1
28	National Diploma: Municipal Finance	Unisa	1
29	National Diploma: Public Management	Unisa	1
30	SCM Course	National Treasury	9
31	Assessor Training	Africa Competency	5
32	Quality Assurance Management	Unisa	1

Four Informal training Committee meetings were held. At one of the meetings LGSETA, made a presentation on the requirements of the Skills Act and Skills Levies Act. Clarification was obtained

around the structure of the Training Committee and role of the stakeholders involved. The new Training Committee had to have a 50 / 50 representation of Employer and Employees (SAMWU & IMATU). The new committee was adopted by council on 23 April 2008 = **SR28/2008**.

Status of Pension Funds and Medial Aid Funds

The following table indicates the current status quo with regard to the respective pension funds of the municipality. No risks and/or liabilities were identified with regard to the respective pension funds.

Pension funds (2007/08)
Name: Cape Joint Retirement Fund
Risk(s) / liabilities: <i>The negative economical growth during the past months, caused a negative growth in pension fund assets, causing a risk for employees to go on early retirement or resign for pension payments.</i>
Name: Cape Joint Pension Fund
Risk(s) / liabilities: <i>The negative economical growth during the past months, caused a negative growth in pension fund assets, causing a risk for employees to go on early retirement or resign for pension payments.</i>
Name: SAMWU National Provident Fund
Risk(s) / liabilities: <i>Risk identified is the duration of payment periods, especially with retirements and disability claims. The Employer keeps the employee in service until payments are made.</i>
Name: National Fund for Municipal Workers
Risk(s) / liabilities: <i>The negative economical growth during the past months, caused a negative growth in pension fund assets, causing a risk for employees to go on early retirement or resign for pension payments .</i>

The table below indicates the current status quo pertaining to the recognized medical aid funds. No risks and/or liabilities were identified with regard to the respective medial aid funds.

Medical Aid Funds (2007/08)
Name: Bonitas
Risk(s) / liabilities: <i>Processing of outstanding claims and depletion of benefits.</i>
Name: LA Health
Risk(s) / liabilities: <i>Processing of outstanding claims and depletion of benefits</i>
Name: Munimed
Risk(s) / liabilities: <i>Processing of outstanding claims and depletion of benefits</i>
Name: SAMWUMED
Risk(s) / liabilities: <i>Processing of outstanding claims and depletion of benefits</i>
Name: Global Health
Risk(s) / liabilities: <i>N Processing of outstanding claims and depletion of benefits.</i>

Labour Relations

Disciplinary outcomes for the period 01 July 2007 to 30 June 2008 ranging from minor conduct to more serious charges are as follows:

	Male				Female			
	A	C	W	I	A	C	W	I
Disciplinary action taken	1	11	1			2	1	

Employee Wellness

Theewaterskloof Municipality is dependant for its success on the expertise, professionalism and well being of its employees.

A health and safety officer was appointed in October 2007. The process for the appointment of Safety Representatives, SHE Committee Members & First Aiders was followed and all appointments finalised. A Health, Safety and Environmental policy was adopted by Council. SHE Representative training was implemented and all First Aiders received Level 1 & 2 First Aid Training and a first aid kit.

Hazards Identification, Risk Assessment, Internal Annual Audits, SHE Induction of all TWK Employees & General SHE Awareness was implemented throughout the TWK Municipality by the OHS officer.

Disclosures concerning Councillors, Directors and Senior Officials:

Description	Mayor & Deputy Mayor	Executive Councillors	Part-time Councillors	Municipal Manager	Chief Financial Officer	Other Senior Managers (Directors)	Total
Salaries	1,258,168	1,059,673	2,568,067	543,989	432,821		5,862,718
Contributions: Medical Aid/Pension/UIF				63,552	99,600		163,152
Car allowance				125,640	120,000		245,640
Performance Bonus				102,645	91,339		193,984
<u>Director: Operational Service:</u>							
Salaries						349,187	349,187
Contributions: Medical Aid/Pension/UIF						148,643	148,643
Car allowance						66,000	66,000
Performance Bonus						63,193	63,193
<u>Director: Corporate Services:</u>							
Salaries						472,343	472,343
Contributions: Medical Aid/Pension/UIF						94,360	94,360
Car allowance						60,000	60,000
Performance Bonus						62,670	62,670
<u>Director: Community Services:</u>							
Salaries						383,133	383,133
Contributions: Medical Aid/Pension/UIF						112,922	112,922
Car allowance						120,000	120,000
Total	1,258,168	1,059,673	2,568,067	835,826	743,760	1,932,451	8,397,945
Outstanding Debt : Councillors							0
Outstanding Debt : Directors							0
Outstanding Debt : Staff							59 ⁰

Trends on Total Personnel & Councillor Remuneration:

<u>Year</u>	<u>Personnel</u>	<u>Councillors</u>
2007/2008	R58,950,648	R4,885,908
2006/2007	R44,839,063	R5,070,514
2005/2006	R40,913,654	R2,600,563
2004/2005	R38,011,170	R2,065,028

Total Remuneration of Councillors and Personnel:

Payroll Report	
Particulars	Amount
Salary	42,142,108.92
Overtime	1,989,408.08
Long Service Bonus	157,613.40
Unpaid Leave	- 76,152.16
Leave Pay	538,247.10
Housing Allowance	624,283.90
Acting Allowance	460,302.05
Miscellaneous General	15,916.57
Cell phone Allowance	237,795.95
Uniform Allowance	0.00
Bonus	2,652,682.43
Standby	440,594.70
Traveling Allowance	1,825,570.11
Councilor Allowance (Medical)	12,168.00
Personal Allowance	0.00
Entertainment Allow	49,500.13
Traveling Allow/ Subsidy	2,416,069.10
Back pay (Lump sum)	7,371.26
Telephone Allowance	57,398.27
Gross Earnings	R53,550,877.81
Pension	6,516,555.52
Uif	415,516.16
Medical Aid	2,200,370.12
Barg. Council	19,340.80
Skills	469,475.83
Group Insurance	664,419.36
Company Contributions	R10,285,677.79
Grand Total Payroll (Including Councillors' Remuneration)	R63,836,555.60

CHAPTER 4

AUDITED FINANCIAL STATEMENTS & RELATED INFORMATION

4.1	GENERAL INFORMATION
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MEMBERS OF THE COUNCIL.

Alderman	C B Punt	Executive Mayor	
Councillor	P U Stanfliet	Executive Deputy Mayor	Member of the Executive Mayoral Committee
Councillor	C J M Vosloo	Speaker	
Councillor	C T J Simmers		Member of the Executive Mayoral Committee
Councillor	M Tshaka		Member of the Executive Mayoral Committee
Councillor	S J Vashu		Member of the Executive Mayoral Committee
Councillor	P Adams		
Councillor	A M Arendse		
Alderman	F Z Booysen		
Alderman	M Damon		
Councillor	L M de Bruyn		
Councillor	C Edson		
Councillor	A J Hattingh		
Councillor	P H Makaza		
Councillor	V C Mazembe		
Councillor	V E Mentile		
Alderman	B B Mkhwibiso		
Alderman	C D November		
Councillor	D A Appel		
Councillor	J Swarts		
Councillor	A H van Brakel		
Alderman	D M Veary		
Councillor	C Wood		

GRADING OF LOCAL AUTHORITIES.

Grade 6

AUDITORS.

The Auditor-General

BANKERS.

ABSA Bank, P.O. Box 145, Caledon. 7230

REGISTERED HEAD OFFICE.

6 Plein Street	P.O. Box 24	Telephone number:	028-214 3300
CALEDON	CALEDON	Fax number:	028-214 1289
7230	7230		

MUNICIPAL MANAGER

Mr. H.S.D. Wallace



DIRECTOR: FINANCIAL SERVICES

Mr. S.N. Jacobs

APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements attached hereto were approved by the Municipal Manager on 29 August 2008. We certify that the salaries, allowances and benefits of Councillors as disclosed in note 14 of the annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Public Officer Bearers Act and the Provincial Minister of Local Government determination in accordance with this Act.


 Wallace Mr. H.S.D. Wallace Mr. H.S.D.
 : AL MANAGER MUNICIPAL MANAGER, MUNICIPAL

 
 Mr. S.N. Jacobs Mr. S.N. Jacobs
 DIRECTOR: FINANCIAL SERVICES

4.2 REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THEEWATERSKLOOF MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Theewaterskloof Municipality which comprise the balance sheet as at 30 June 2008, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 76 to 92.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with an entity-specific basis of accounting, as set out in accounting policy note 1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on an entity-specific basis of accounting, as set out in accounting policy note 1 to the financial statements.

Opinion

9. In my opinion the financial statements of Theewaterskloof Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 to the financial statements and in the manner required by the MFMA and DoRA.

Emphasis of matters

Without qualifying my audit opinion, I draw attention to the following matters:

Fruitless and wasteful expenditure

10. As disclosed in note 31 to the financial statements, fruitless and wasteful expenditure to the amount of R42 933 was incurred as a result of legal fees having been paid to reverse land sales relating to the 2005 financial year.

Restatement of corresponding figures

11. As disclosed in accounting policy notes 3 and 6 to the financial statements, assets which were previously written off in the prior period were brought back onto the fixed asset register in the current year figures as part of the preparation for the implementation of the Standards of Generally Accepted Municipal Accounting Practice.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Matters of governance

12. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	■	
• The audit committee operates in accordance with approved written terms of reference.	■	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	■	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	■	
• The internal audit function operates in terms of an approved internal audit plan.		■
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		■
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	■	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.		■
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		■
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	■	
• The prior year's external audit recommendations have been substantially implemented.	■	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	■	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.	■	
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	■	

Unaudited supplementary schedules

13. The supplementary schedules set out on pages 93 to 104 of the financial statements do not form part of the financial statements and are presented as additional information. These schedules have not been audited and accordingly, no opinion is expressed thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

14. I have reviewed the performance information as set out on pages 20 to 49.

Responsibilities of the accounting officer

15. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

16. I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
17. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
18. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

Lack of reporting on all predetermined objectives in annual report

19. While the municipality has prepared an annual performance report in terms of section 46 of the MSA and included it in its annual report, as required by section 121(3)(c) of the MFMA, I draw attention to the fact that the municipality has not reported on all the predetermined objectives, as required by section 46(1)(b) of the MSA.

In this regard, the performance information system was not yet fully implemented and so the information presented in the annual report was brief, focused mainly on finance and did not provide sufficient information relating to operations and development. The reported performance information did not include targets, actual performance, explanations for inadequate performance or corrective action to be taken.

Internal auditing of performance measurements

20. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes, as required in terms of section 45 of the MSA.

APPRECIATION

21. The assistance rendered by the staff of Theewaterskloof Municipality during the audit is sincerely appreciated.



Cape Town

30 November 2008



AUDITOR - GENERAL

4.3 MANAGEMENT'S COMMENTS ON ISSUES RAISED IN THE AUDIT REPORT FOR THE YEAR ENDING 30 JUNE 2008

EMPHASIS ON MATTERS

The report reflects the position of the Theewaterskloof Municipality as at 30 June 2008. Extracts from the audit report and management response are as follow:

Fruitless and wasteful expenditure

As disclosed in note 31 to the financial statements, fruitless and wasteful expenditure to the amount of R42 933 was incurred as a result of legal fees having been paid to reverse land sales relating to the 2005 financial year.

Management Response

This is an expense incurred in 2005 and was reported to Council during 2007/2008 in terms of Section 32 of the MFMA.

Restatement of corresponding figures

As disclosed in accounting policy notes 3 and 6 to the financial statements, assets which were previously written off in the prior period were brought back onto the fixed asset register in the current year figures as part of the preparation for the implementation of the Standards of Generally Accepted Municipal Accounting Practice.

Management Response

Due to corrections of fixed assets, Financial Statements had to be adjusted to fairly state fixed assets.

• <i>The internal audit function operates in terms of an approved internal audit plan.</i>		<input type="checkbox"/>
• <i>The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.</i>		<input type="checkbox"/>

Management Response

The post of Internal Audit Manager has been upgraded to Deputy Director, due to the fact that we were not able to find a suitable candidate at the current remuneration package after three attempts and head-hunting. If we cannot find a suitable candidate in the upgraded post, we will have to outsource the function. We do believe that the Internal Audit function is more valuable than mere compliance.

• <i>The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.</i>		<input type="checkbox"/>
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Management Response

We were not informed timeously by the Auditor - General that the Annual Report should be available for audit along with the Financial Statements

- | | | |
|---|--|--------------------------|
| <ul style="list-style-type: none"> • <i>The financial statements submitted for audit were not subject to any material amendments resulting from the audit.</i> | | <input type="checkbox"/> |
|---|--|--------------------------|

Management Response

The changes requested by the Auditor-General were made to the financial statements, primarily for adjustment to fixed assets and creditors.

Non-compliance with regulatory requirements

Lack of reporting on all predetermined objectives in annual report

While the municipality has prepared an annual performance report in terms of section 46 of the MSA and included it in its annual report, as required by section 121(3)(c) of the MFMA, I draw attention to the fact that the municipality has not reported on all the predetermined objectives, as required by section 46(1)(b) of the MSA.

In this regard, the performance information system was not yet fully implemented and so the information presented in the annual report was brief, focused mainly on finance and did not provide sufficient information relating to operations and development. The reported performance information did not include targets, actual performance, explanations for inadequate performance or corrective action to be taken.

Management Response

In general we agree with the view that although we use the SDBIP as a reporting tool at present it is not a user friendly document. It also does not allow for qualitative reporting. However we are currently researching what is currently available that will suit the Municipality's need both in terms of SDBIP and PMS system. The tender for the PMS system will be advertised in January 2009.

The positive comments on the SDBIP / Performance Assessment of Provincial Treasury is however noted.

The recommendations will be implemented.

Internal auditing of performance measurements

The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes, as required in terms of section 45 of the MSA.

Management Response

We have upgraded the post of Internal Audit Manager to Deputy Director, due to the fact that we were not able to find a suitable candidate at the current remuneration package. If we cannot find a suitable candidate in the upgraded post, we will have to outsource the function. We do believe that the Internal Audit function is more valuable than mere compliance.

4.4 REPORT OF THE DIRECTOR: FINANCIAL SERVICES

Introduction

The Financial Statements which follows reflect on the municipality's financial position at 30 June 2008 and the financial performance for the 2007/2008 financial year.

The following significant changes are worth noting:

- Funds and Reserves increased by R5,145,232 (67%) from R7,627,185 to R12,772,417.
- Retained Income decreased by R6,898,567 (49%) from R13,962,255 to R7,063,688.
- Long-term Liabilities increased by R22,518,041 (75%) from R30,188,305 to R52,706,346.
- Net Fixed Assets increased by R11,753,598 (29%) from R40,712,908 to R52,466,506.

Debtors increased by R13,875,933 (70%) from R19,848,185 to R33,724,118. The rate of collection changed to 85% compared to the previous year's 80%. Over R25 million is owed by Indigent and RDP Home Owners. This is one of the main reasons why Prepaid Water Meters will be installed during 2008/2009. Improving the collection rate remains one of the major challenges faced by the municipality to ensure that we remain a going-concern.

Although capital expenditure increased from R16,291,299 in **2006/2007** to R82,250,679, it should be noted that a high percentage (76%) is financed from Grant funding, mainly Housing (R32,731,986: 40%) which is a Provincial Government Function and the Bucket Eradication (R19,516,509: 24%). It is however worth mentioning that our municipality won the Second Prize in Govan Mbeki Housing Award as well as an Award for the Successful Completion of the Bucket Eradication System which is one of the Millennium Development Goals.

The Finance Directorate is responding to the challenge of improving financial viability and the infrastructure investment planning inter alia as follows:

- Drafting of Financial Viability Strategy which includes improved Credit Control and Debt Collection, Increased Revenue Generation, Tariff Re-structuring, Improved Budgeting and Procurement and Expenditure Management as the major pillars.
- The restructuring of the Credit Control, Debt Collection and Indigents Management Unit and the procurement of a Debt Collection Management System to improve efficiency and effectiveness.
- Establishing and capacitating of the Supply Chain Management Unit to maximise the benefits of healthy competition and value for money.
- The Infrastructure Investment Strategy will also be adopted during 2008/2009.
- Introducing Activity Based Costing
- Enterprise Wide Risk Management
- The Budget Office was established and fully functional to ensure accelerated compliance to the MFMA, Reporting, Budgetary Control and Financial Management Reforms.

The value of political and administrative stability in the municipality has proven to be a major catalyst to improve service delivery and the execution of our constitutional mandate.

Operating Results

Details of the operating results per department, classification and aim of expenditure are given in appendix D and E. The overall operating results for the year ended 30 June 2008, are as follows:

TABLE 1 (OPERATING RESULTS)					
	Actual 2006/2007	Actual 2007/2008	Variance 06/07> 07/08	Budget 2007/2008	Variance Actual/Budget
<u>INCOME</u>	R	R	%	R	%
Opening – surplus	13,121,394	13,962,255	6		
Operating income for year	191,674,568	238,630,542	24	260,394,346	(8)
Sundry transfers	(7,639,764)	(13,204,744)		0	
Closing – deficit					
	197,156,198	239,388,053		260,394,346	
<u>EXPENDITURE</u>					
Opening - deficit					
Operating expenditure for the year	183,193,943	232,324,365	27	260,394,346	(11)
Closing – surplus	13,962,255	7,063,688		0	
	197,156,198	239,388,053		260,394,346	

RATES AND GENERAL SERVICES					
TABLE 2 (RATES & GENERAL SERVICES)					
	Actual 2006/2007	Actual 2007/2008	Variance 06/07> 07/08	Budget 2007/2008	Variance Actual/Budget
	R	R	%	R	%
Income	147,284,798	189,477,421	29	208,490,807	(9)
Expenditure	143,883,334	188,675,324	31	212,152,718	(11)
Surplus/(deficit)	3,401,464	802,097		(3,661,911)	
Surplus/(deficit) as % of total income	2.3	0.42		(1.76)	
HOUSING SERVICE					
TABLE 3 (HOUSING SERVICE)					
	Actual 2006/2007	Actual 2007/2008	Variance 06/07> 07/08	Budget 2007/2008	Variance Actual/Budget
	R	R	%	R	%
Income	194,458	1,828	(99)	450,000	(99.59)
Expenditure	2,120,424	2,998,590	41	2,853,705	5
Surplus/(deficit)	(1,925,966)	(2,996,762)		(2,403,705)	
Surplus/(deficit) as % of total income	(990)	(163,937)		(534)	

TRADING SERVICES**TABLE 4 (ELECTRICITY SERVICE)**

	Actual 2006/2007	Actual 2007/2008	Variance 06/07> 07/08	Budget 2007/2008	Variance Actual/Budget
	R	R	%	R	%
Income	23,236,855	27,341,564	17.66	25,596,380	7
Expenditure	18,956,025	20,170,555	6.41	23,018,001	(12)
Surplus/(deficit)	4,280,830	7,171,009		2,578,379	
Surplus/(deficit) as % of total income	18	26		10	

TABLE 5 (WATER SERVICE)

	Actual 2006/2007	Actual 2007/2008	Variance 06/07> 07/08	Budget 2007/2008	Variance Actual/Budget
	R	R	%	R	%
Income	20,958,457	21,809,729	4	25,857,159	(16)
Expenditure	18,234,160	20,479,896	12	22,369,922	(8)
Surplus/(deficit)	2,724,297	1,329,833		3,487,237	
Surplus/(deficit) as % of total income	13	6		13	

SUMMARY OF RATES & GENERAL SERVICES AND TRADING SERVICES**TABLE 6 (SUMM: RATES. HOUS. & COMM.)**

	Actual 2006/2007	Actual 2007/2008	Variance 06/07> 07/08	Budget 2007/2008	Variance Actual/Budget
	R	R	%	R	%
Income	191,674,568	238,630,542	24	260,394,346	(8)
Expenditure	183,193,943	232,324,365	27	260,394,346	(11)
Surplus/(deficit)	8,480,625	6,306,177		0	
Surplus/(deficit) as % of total income	4	3		0	

The expenditure that was incurred during the year for fixed assets amounted to R82,250,679. The actual expenditure is 6% less than that for which was budgeted.

TABLE 7 (CAPITAL EXPENDITURE)			
	ACTUAL 2007/2008	BUDGET 2007/2008	VARIANCE ACTUAL/BUDGET
	R	R	%
Town Treasurer	102,323	100,000	2
Traffic Service	734,188	800,000	(8)
Stores and Workshop	12,113	15,000	(19)
Sport & Recreation	959,578	1,000,000	(4)
Roads & Storm water	4,127,003	5,789,256	(29)
Corporate Services	1,657,877	2,296,087	(28)
Waste Management	242,271	246,000	(2)
Waste Water Management	27,336,565	29,568,392	(8)
Planning	278,320	712,968	(61)
Libraries	9,911	10,959	(10)
Operational Services	94,111	100,000	(6)
Parks & Recreation	195,105	205,852	(5)
Housing	32,371,634	28,913,731	12
Water	11,115,805	13,559,604	(18)
Electricity	3,013,694	4,415,342	(32)
	82,250,679	87,733,191	(6)

Resources used to finance the fixed assets were as follows:

TABLE 8 (CAPITAL FINANCING)			
	Actual 2007/2008	Budget 2007/2008	Variance Actual/Budget
	R	R	%
External loans	13,232,872	15,596,559	(15)
Own Funds and Reserves	6,751,324	7,265,000	(7)
Grants and Subsidies	62,266,483	64,871,632	(4)
	82,250,679	87,733,191	(6)

A complete analysis of capital expenditures (budgeted and actually spent) per department, classification or service is given in Appendix C. More details regarding external loans that were used to finance fixed assets are indicated in Appendix B.

External Loans, Investments and Cash

On 30 June 2008 the outstanding external loans amounted to R56,791,326 (R33,623,086 on 30 June 2007) as set out in Appendix B. During the year loans of R24,647,514 were received and loans to the amount of R1,479,274 repaid. On 30 June 2008 the investments amounted to R8,642,309.

FUNDS AND RESERVES

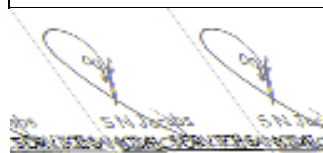
More details regarding funds and reserves are given in the notes (1 to 3) and Appendix A to the financial statements.

OPERATING ACCOUNT: INCOME & EXPENDITURE

The detailed particulars of the course of the operating budget (budget compared to the actual figures) were as follows:

TABLE 9 (OPERATING ACCOUNT : EXPENDITURE)				
	2007/2008 Budgeted	2007/2008 Actual	% of Total	Under-allocated (Over- Allocated)
EXPENDITURE	R			
Employee Related Costs	63,917,186	57,455,870	25	6,461,316 [10%]
Remuneration of Councillors	5,002,565	4,885,908	2	116,657 [2%]
Bad Debts	11,189,897	11,189,897	5	-
Depreciation	4,924,574	2,413,948	1	2,510,626 [51%]
Repairs and maintenance	14,952,970	12,338,401	5	2,614,569 [17%]
Interests and External Borrowings	5,274,435	3,976,790	2	1,297,645 [25%]
Bulk Purchases	17,014,542	17,013,556	7	986 [0.01%]
Contracted Services	18,373,482	8,349,091	4	10,024,391 [55%]
General Expenditure	53,065,303	50,919,101	22	2,146,202 [4%]
Contributions to Fixed Assets	61,679,392	61,532,563	26	146,829 [0.24%]
Contributions to Funds, Reserves & Provisions	5,000,000	2,249,240	1	2,750,760 [55%]
TOTAL	260,394,346	232,324,365	100	28,069,981[11%]

TABLE 9 (OPERATING ACCOUNT : INCOME)				
	2007/2008 Budgeted	2007/2008 Actual	% of Total	Under-allocated (Over- Allocated)
INCOME				
Property Rates	34,562,391	30,593,875	13	3,968,516 [11%]
Service Charges	75,185,015	74,703,037	31	481,978 [1%]
Interest Earned External	965,661	838,035	0.35	127,626 [13%]
Interest Earned Debtors	4,563,133	7,255,607	3	-2,692,474 [-59%]
Fines	15,050,000	6,320,037	2.65	8,729,963 [58%]
Government Grants	95,026,610	90,782,412	38	4,244,198 [4%]
Other income	35,041,536	28,137,539	12	6,903,997 [20%]
TOTAL	260,394,346	238,630,542	100	21,763,804[8%]



4.5 ACCOUNTING POLICY

1. Basis of Presentation

- 1.1 These financial statements are compiled to comply with the standards laid down by the Institute of Municipal Financial Officers (IMFO) in its Code of Practice for the Accounting of Local Authorities in SA (1996) and the Financial Statements of Local Authorities (1996, 2nd edition, as revised) and generally accepted accounting practice. A request was made in terms of Government Gazette No. 30013 dated 29 June 2007 to be exempted (as a Medium Capacity Municipality) from complying with the prescribed requirements referred to in Section 122 (2) and (3) of the Municipal Finance Management Act, 2003 to prepare consolidated Financial Statements in accordance with Generally Recognised Accounting Practice (GRAP). Approval was granted by National Treasury.
- 1.2 The financial statements are compiled on an historical cost basis and adjusted for fixed assets, as set out in Note 3 of the accounting policy. The accounting policies correspond to those of the previous year, except where otherwise indicated.
- 1.3 The Financial Statements are prepared on the accrual basis as stated:
- * Income is accrued when measurable and available to finance operations. Certain direct income is accrued when received, such as traffic fines and certain licences.
 - * Expenditure is accrued in the year it is incurred, except as mentioned in paragraph 14.1

2. Consolidation

The financial statement includes Rates and General Services, Housing Service, Commercial Services and the various funds, reserves and provisions. All inter-departmental charges are treated as income and expenditure in the various departments.

3. Fixed Assets

3.1 Recognition

During the year a complete survey of all assets was made during the year in order to prepare for the implementation of GAMAP. Assets are initially recognised at cost. During the year various assets were brought back onto the fixed asset register as part of the preparation for GAMAP. These assets were recognised at their historic cost or, if not practically obtainable, at management's best estimate of their original cost.

3.2 De-recognition

Fixed assets are derecognised at the earlier of signing the contract or disposal.

3.3 Depreciation

The balance that is shown against the heading "Loans redeemed and other Capital receipts" in the notes to the balance statements is equivalent to a provision for depreciation. There are, however, structural differences between the two concepts. According to this assets are written off from "Provisions" over their projected lifespan. Apart from advances from the various council funds, assets may also be acquired through:

- * Appropriations from income, where the full cost of the asset forms an immediate and direct charge against operating income and it is therefore not necessary to make any further provision for depreciation.

* Grant or donation, where the amount representing the value of such grant or donation, is immediately credited to the “Loan Redeemed and other Capital Receipts” account.

3.4 Capital assets are financed from various sources, including external loans, operating income, grants and internal advances. The loans and advances repaid within the projected useful lifespan of the assets that are financed from such loans and provisions. Interest is debited against the service concerned at a pre-approved interest rate at the time of the granting of the advance.

4. Inventory

No official consumer stock, excluding diesel, is carried as all stock is available locally and / or obtainable from Cape Town within 24 hours. Stock is valued at the lower of cost, calculated on weighted average, and net realisable value.

5. Retirement Benefits

Monthly paid personnel are members of the Cape Joint Pension Fund, SALA and SAMWU provident funds. Members / Council contribute in the proportion of 9% / 18% of the member’s basic salary. Full actuarial valuations are performed regularly by the Funds.

6. Surpluses and Deficits

Any surpluses or deficits that originate from the operation of the Electricity and Water service are transferred to the Rates and General Services in order by so doing to alleviate deficits there and in an effort to keep the rates tariff within affordable limits.

7. Treatment of Administrative And Other Overhead Costs

The cost of internal support services are, in accordance with the guidelines in the IMFO’s Report on the Accounting Treatment for Support Services (1990), debited against various services on the basis of the time that is spent and the cost of facilities that are used.

8. Leased Assets

Where fixed assets are obtained on the basis of lease financing, they are capitalised.

All other leases (for instance, photocopiers) are treated as operating rent leases and the relevant rentals are charged to the operating account in a systematic manner relating to the period of use of the assets concerned.

9. Investments

Investments are shown in the financial statements at original cost and are invested in the securities that are prescribed in Section 2 of Ordinance 23 of 1935 and the Code of Conduct for Investments as compiled by the IMFO. All monies are invested with institutions registered in terms of the Deposit Taking Institutions Act, 1990.

10. Deferred Charges

Represents:

- 10.1 The balance outstanding (if any), of the cost incurred in raising loans on the capital market; it is recovered from operating income over the term of the loans concerned.

11. Income Acknowledgement

11.1 Electricity and Water Levies

Meters on all properties are read monthly and invoiced. If a meter(s) is not read for one or other reason, an account is rendered that is based on the average consumption of the previous three months and any adjustment(s) takes place in the following month.

11.2 Property Rates

A general valuation of all the properties in Theewaterskloof was carried out and came into effect on 1 July 2003. An Interim Valuation was implemented at the end of the financial year.

12. Provisions

12.1 Lump Sum Pensions

The provision is created in accordance with negotiations within the Bargaining Council. Beneficiaries from the provision are employees who did not previously have the opportunity to belong to a pension or provident fund and until 31 December 1994 had a year or more completed service, and were still in the service of the Council on 1 July 1998. The lump sum pension accrues to the employee on normal retirement, medical disability, death and / or staff reduction.

12.2 Leave Gratuity

Provision for leave gratuity is created in accordance with the employees' leave credits as at 30 June 2008.

12.3 Bad Debts

Provision for Bad debts is made in accordance with the Provision for Bad Debt Policy approved by Council on 28 April 2005. Provision is made for an amount equal to outstanding consumer debtors, less outstanding in respect of housing schemes and housing loans, for 120 days and longer. If the amount budgeted for the provision for bad debts is insufficient to cover the amount mentioned, the difference will be recovered from the retained surplus.

13. Funds and Reserves

13.1 General

Only Funds and Reserves that are fully funded on 30 June 2008 are shown in the financial Statements.

14. Trade Creditors

14.1 Provision is made for trade creditors at year end. Invoices received up to 31 July 2008 were taken into account when compiling the Financial Statements.

15. Asset Financing Reserve

15.1 During the financial year under review, Council established an Asset Financing Reserve as resolved with the adoption of a Medium Term Budget in May 2005.

- a. The following contributions will be made to the Fund:
 - (i) 80% of all income from land sales
 - (ii) All receipts in respect of contributions to bulk services
- b. The fund must be funded by cash
- c. The minimum balance of the fund is R 2,000,000
- d. All costs of making erven available such as, subdivision and the provision of services will be debited against the fund.
- e. In the event of a disaster and no funds are received for disasters from the National and Provincial Disasters Fund, funds from the Asset Financing Reserve will be utilised for this purpose, where funds are available and emergency expenditure are authorised by the Executive Mayor.

4.6	BALANCE SHEET AT 30 JUNE 2008
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	NOTE	2007/2008 R	2006/2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		12,772,417	7,627,185
Statutory funds	1	0	0
Reserves	2	12,772,417	7,627,185
(ACCUMULATED DEFICIT)/RETAINED INCOME	17	7,063,688	13,962,255
		19,836,105	21,589,440
TRUST FUNDS	3	16,503	16,503
LONG TERM LIABILITIES	4	52,706,346	30,188,305
CONSUMERS DEPOSITS	5	2,395,273	2,264,796
		74,954,227	54,059,044
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	52,466,506	40,712,908
LONG TERM DEBTORS	8	157,804	176,621
		52,624,310	40,889,529
NET CURRENT OPERATING ASSETS/(LIABILITIES)		22,329,917	13,169,515
CURRENT ASSETS		54,066,158	37,136,278
Inventory	9	0	0
Debtors	10	33,724,118	19,848,185
Short term investments	7	8,642,309	14,554,398
Short term portion of long term debtors	8	28,108	50,052
Bank balances and cash	23	11,671,623	2,683,643
CURRENT LIABILITIES		(31,736,241)	(23,966,763)
Provisions	11	(4,869,047)	(5,256,109)
Unspent Grants	12	(3,726,896)	(6,285,572)
Creditors	13	(19,055,318)	(8,990,301)
Short term portion of long term liabilities	4	(4,084,980)	(3,434,781)
Bank overdraft	23	0	0
		74,954,227	54,059,044

4.7 INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2006/2007 Actual Income	2006/2007 Actual Expenditure	2006/2007 Surplus/ (Deficit)		2007/2008 Actual Income	2007/2008 Actual Expenditure	2007/2008 Surplus/ (Deficit)
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R	R	R		R	R	R
11,429,125	14,186,790	(2,757,665)	Executive & Council	13,716,671	24,906,820	(11,190,149)
56,226,933	30,100,711	26,126,222	Finance & Admin Planning & Development	67,493,512	25,939,463	41,554,049
3,639,494	5,274,844	(1,635,350)		3,571,764	6,453,699	(2,881,935)
1,866,804	1,544,476	322,328	Health Community & Social Services	-	-	-
3,103,450	5,463,825	(2,360,375)		3,572,171	7,320,171	(3,748,000)
194,458	2,120,424	(1,925,966)	Housing	1,828	2,998,591	(2,996,763)
7,021,885	9,457,959	(2,436,074)	Public Safety	6,331,339	8,869,819	(2,538,480)
151,779	4,879,303	(4,727,524)	Sport & Recreation Environmental Protection	147,523	5,896,216	(5,748,693)
-	38,678	(38,678)		-	-	-
12,849,155	12,663,355	185,800	Waste Management Water Waste Management	15,102,640	14,259,650	842,990
10,658,636	9,336,333	1,322,303		11,788,886	10,916,303	872,583
3,788,938	14,407,909	(10,618,971)	Road Transport	5,060,603	16,250,187	(11,189,584)
20,958,457	18,234,160	2,724,297	Water	21,809,729	20,479,896	1,329,833
23,236,855	18,956,025	4,280,830	Electricity	27,341,564	20,170,555	7,171,009
36,548,599	36,529,151	19,448	Other	62,692,312	67,862,995	(5,170,683)

191,674,568	183,193,943	8,480,625	TOTAL	238,630,542	232,324,365	6,306,177
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(7,639,764)	Appropriations for the year (Refer to note 17)	(13,204,744)
840,861	Net surplus/(deficit) for the year	(6,898,567)
13,121,394	Accumulated surplus/(deficit) at the beginning of the year	13,962,255
13,962,255	Accumulated surplus/(deficit) at the end of the year	7,063,688

4.8

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 June 2008

	NOTE/ APP	2007/2008 R	2006/2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		62,158,330	16,120,052
Cash generated by operations	18	6,233,131	1,845,783
Investment income	16	2,833,353	1,128,807
(Increase)/decrease in working capital	19	(6,198,354)	6,941,689
		2,868,130	9,916,279
LESS : External interest paid	16	(3,976,791)	(2,997,701)
Cash available from operations		(1,108,661)	6,918,578
Cash contributions from the public and the State		62,030,823	8,827,297
Net proceeds on disposal of fixed assets		1,236,168	374,177
CASH UTILISED IN INVESTING ACTIVITIES			
Investment in fixed assets	C	(82,250,679)	(16,291,299)
NET CASH FLOW		<u>(20,092,349)</u>	<u>(171,247)</u>
CASH EFFECTS OF FINANCING ACTIVITIES			
Increase/(decrease) in long-term loans	20	23,168,240	9,509,162
Increase/(decrease) in short-term loans	21	-	-
(Increase)/decrease in cash investments	22	5,912,089	(6,878,290)
(Increase)/decrease in cash	23	(8,987,980)	(2,459,625)
Net cash (generated)/used		<u>20,092,349</u>	<u>171,247</u>

4.9	NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2008
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	<u>2007/2008</u>	<u>2006/2007</u>			
	R	R			
1	STATUTORY FUNDS				
Housing Service	-	-			
<i>[refer to Appendix A]</i>	-	-			
2	RESERVES				
Loan Redemption Fund	4,177,380	2,570,300			
Asset Financing Fund	8,595,037	5,056,885			
<i>[refer to Appendix A]</i>	12,772,417	7,627,185			
3	TRUST FUNDS				
New Library	-	-			
Group Insurance Fund	16,503	16,503			
<i>[refer to Appendix A]</i>	16,503	16,503			
4	LONG TERM OBLIGATIONS (EXTERNAL)				
Locally Registered Stock	-	-			
Annuity Loans (External)	56,791,326	33,623,086			
Short-term Loans	-	-			
	56,791,326	33,623,086			
<i>Less : Current portion transferred to Current liabilities</i>	4,084,980	3,434,781			
Government loans : Individual loans	-	-			
Locally registered stock	-	-			
Annuity loans (External)	4,084,980	3,434,781			
Short-term loans	-	-			
<i>[refer to appendix B for more details on long-term liabilities]</i>	52,706,346	30,188,305			
<table><tr><td>Annuity Loans</td></tr><tr><td>Annuity loans carry interest at rates that vary between 8.5% and 17,55% on external loans.</td></tr><tr><td>None of the loans are secured by any assets of the Council</td></tr></table>			Annuity Loans	Annuity loans carry interest at rates that vary between 8.5% and 17,55% on external loans.	None of the loans are secured by any assets of the Council
Annuity Loans					
Annuity loans carry interest at rates that vary between 8.5% and 17,55% on external loans.					
None of the loans are secured by any assets of the Council					
5	CONSUMERS DEPOSITS				
Electricity and Water	2,395,273	2,264,796			
6	FIXED ASSETS				
Fixed assets at the beginning of the year	147,063,566	246,292,845			
Capital Expenditure during the year	82,250,679	16,291,299			
	229,314,245	262,584,144			

Add: Revaluation and Re - allocation	164,706,597	(115,520,578)
Total fixed assets	394,020,842	147,063,566

Less: Loans redeemed and other capital receipts	(340,318,168)	(106,350,658)
Net fixed assets	52,466,506	40,712,908

*[refer to appendix C and section 2 of the Director:
Financial Services report for more details on assets]*

7	INVESTMENTS
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Management's valuation of unlisted investments:

Fixed deposits

Call deposits

Total of investments

Average rate of return on investments

Investments are indicated in the statements at original cost and are invested in the securities that are prescribed in Sect. 2 of Ordinance 23 of 1935 and the User's Code for Investments as compiled by the I.M.F.O. All monies are invested with institutions registered in terms of the Deposit Taking Institutions Act of 1990.
No investments were written off during the year.

8,642,309	14,554,398
8,642,309	14,554,398
9.1	9.1

8	LONG TERM DEBTORS
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Housing loans, Car loans, Sports clubs

Housing loans (Schemes)

Less: Short-term portion transferred to current assets

185,912	226,673
-	-
185,912	226,673
(28,108)	(50,052)
157,804	176,621

9	INVENTORY
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Only diesel consumption stock is carried as all stock is locally obtainable or is obtainable within 24 hours from Cape Town.

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10	DEBTORS
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Current debtors (Consumers)	77,582,685	67,246,756
Current debtors (Other)	15,250,114	9,896,661
[amounts paid in advance already taken into account]		
Overspent Donation monies		
Less : Provision for Bad Debts (HMF)	(59,108,681)	(57,295,232)
	33,724,118	19,848,185
Total bad debt written off	17,992,055	1,069,785
% of total operating income	8.0	0.6

11	PROVISIONS
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Leave Pay	4,820,569	5,191,690
Lump Sum Pensions	48,478	64,419
Computer Upgrading		
<i>[refer to appendix A for more details]</i>	4,869,047	5,256,109

		<u>2007/2008</u> R	<u>2006/2007</u> R
12	UNSPENT GRANT MONIES		
	Suspense: MIG Funds	-	(620,880)
	Suspense: ROR	(545,495)	(300,000)
	Suspense: MSIG Funds	(228,919)	(604,110)
	Suspense: CDW's	(322,977)	(180,000)
	Suspense: Financial Management Grant	(386,902)	(508,241)
	Suspense: GIS	(117,552)	(399,407)
	Suspense: LGSETA	(56,030)	(113,253)
	Suspense: Botrivier Library	-	(1,959)
	Suspense: Project Preperation Grant	(69,400)	(62,500)
	Suspense: Masibambani DWAF	(78,398)	(71,259)
	Suspense: Financial Reform ODM	-	(17,740)
	Suspense: Culemborg Play Parks	(12,852)	(12,852)
	Suspense: Department of Transport	-	-
	Suspense: Toilets Grabouw	(21,076)	(160,000)
	Suspense: National Electrification Programme	(309,906)	(1,057,192)
	Suspense: Housing	(1,220,940)	(487,731)
	Suspense: Genadendal Water Upgrade	(8,615)	(138,480)
	Suspense: Dennekruin Town Establishment	(49,968)	(49,968)
	Suspense: Sportsfields Villiersdorp	(40,422)	(1,000,000)
	Suspense: Multi-purpose Bus	(257,444)	(500,000)
		(3,726,896)	(6,285,572)
13	CREDITORS		
	Other Creditors	18,771,699	7,706,849
	Deposits: Other	283,619	1,283,452
		19,055,318	8,990,301
14	COUNCILLOR'S REMUNERATION		
	Mayor	481,696	485,945
	Deputy Mayor	388,236	391,030
	Speaker	388,236	391,979
	Members of Mayoral Committee	1,059,673	1,095,743
	Councillors	2,568,067	2,705,817
	<i>[Allowances were based on 100% of the permissible maximum notch for a Grade 3 Local Authority]</i>	4,885,908	5,070,514

	<u>2007/2008</u> R	<u>2006/2007</u> R
15	AUDITOR'S REMUNERATION	
Audit fees (VAT excluded)	991,156	766,428
No amount was outstanding on 30 June 2008.		
16	FINANCE TRANSACTIONS	
<i>Total external interest earned/paid :</i>		
Interest earned	2,833,353	1,128,807
Interest paid	3,976,791	2,997,701
<i>Capital charges debited to operating account :</i>		
Interest : External	3,976,791	2,997,701
Redemption : External (Appendix. B)	1,479,274	1,668,582
	5,456,065	4,666,283
17	APPROPRIATIONS	
<i>Appropriations Account :</i>		
Retained Income at the beginning of the year	13,962,255	13,121,394
Operating Surplus/(-deficit) for the year	6,306,177	8,480,625
<i>Appropriations for the year :</i>	(13,204,744)	(7,639,764)
Contributions to Bad Debts	-	-
Net settlements from previous year	(13,204,744)	(7,639,764)
Accumulated surplus /(deficit) at the end of the year	7,063,688	13,962,255
18	CASH GENERATED BY OPERATIONS	
Surplus/(Deficit) for the year	6,306,177	8,480,625
Adjustments i.r.o. previous years' operating transactions	(13,204,744)	(7,639,764)
Adjustments i.r.o. exceptional items		
<i>Appropriations charged against income</i>	9,530,117	6,816,377
Funds	-	47,362
Reserves	3,149,914	3,474,566
Provisions	(371,121)	3,294,449
Fixed Assets	6,751,324	-
Capital ex Income		
	2,631,550	7,657,238
CAPITAL CHARGES	5,456,065	4,666,283

Interest paid :

- on External funds

Redemption :

- Internal advances (Appendix. B)

- External loans (Appendix. B)

Deferred charges written off

3,976,791	2,997,701
1,479,274	1,668,582

Investment income (Operating account)

(838,035)

(1,128,807)

Grants and Subsidies (Operations)

(1,000,508)

-

Non-operating expenditure:

Expenditure charged against Provisions and Reserves:

Statutory funds

-

(8,677,274)

Trust funds

-

Reserves

(671,657)

Provisions

(15,941)

6,233,131

1,845,783

19	DECREASE/(INCREASE) in WORKING CAPITAL
-----------	---

Decrease/(Increase) in inventory

-

-

Decrease/(Increase) in debtors

(13,835,172)

7,387,795

Increase/(Decrease) in creditors

7,636,818

(446,106)

(6,198,354)

6,941,689

20	INCREASE/(DECREASE) in LONG TERM LOANS (EXTERNAL)
-----------	--

Loans raised

24,647,514

11,177,744

Loans repaid

(1,479,274)

(1,668,582)

23,168,240

9,509,162

		<u>2007/2008</u>	<u>2006/2007</u>
		R	R
21	INCREASE/(DECREASE) in SHORT TERM LOANS (EXTERNAL)		
	Loans raised	-	-
	Loans repaid	-	-
		-	-
22	DECREASE/(INCREASE) in EXTERNAL CASH INVESTMENTS		
	Investments made	5,912,089	(6,878,290)
	Investments realised	5,912,089	(6,878,290)
23	DECREASE/(INCREASE) in CASH ON HAND		
	Cash balance at the beginning of the year	2,683,643	224,018
	Less : Cash balance at the end of the year	11,671,623 (8,987,980)	2,683,643 (2,459,625)
24	RELATED PARTIES		
	Cllr. D.A. Appel	0	39,490
	Total	0	39,490
25	BULK PURCHASES		
	Electricity	12,859,752	11,803,385
	Water	4,153,804	3,961,616
		17,013,556	15,765,001

		<u>2007/2008</u>	<u>2006/2007</u>
26	EMPLOYEE RELATED COSTS		
	<u>Remuneration of the Municipal Manager</u>		
	Annual Remuneration	543,989	531,794
	Performance Bonuses	102,645	0
	Car Allowance	125,640	125,640
	Contributions to UIF, Medical and Pension Funds	63,552	12,566
	Total	835,826	670,000
	<u>Remuneration of the Director Operational Services</u>		
	<u>1 February 2007 to 31 May 2008</u>		
	Annual Remuneration	349,187	171,610
	Performance Bonuses	63,193	0
	Car Allowance	66,000	30,000
	Contributions to UIF, Medical and Pension Funds	148,643	36,594
	Total	627,023	238,204
	<u>Remuneration of the Director Corporate Services</u>		
	Annual Remuneration	472,343	420,052
	Performance Bonuses	62,670	0
	Car Allowance	60,000	60,000
	Contributions to UIF, Medical and Pension Funds	94,360	85,543
	Total	689,373	565,595
	<u>Remuneration of the Director Community Services</u>		
	<u>1 February 2007 to 30 June 2008</u>		
	Annual Remuneration	383,133	153,298
	Performance Bonuses	0	0
	Car Allowance	120,000	50,000
	Contributions to UIF, Medical and Pension Funds	112,922	34,906
	Total	616,055	238,204
	<u>Remuneration of the Director Financial Services</u>		
	Annual Remuneration	432,821	444,844
	Performance Bonuses	91,339	25,417
	Car Allowance	120,000	120,000
	Contributions to UIF, Medical and Pension Funds	99,600	16,598
	Total	743,760	606,859
27	CONTINGENT LIABILITIES & CONTRACTUAL OBLIGATIONS		
	Contingent Liabilities	0	0
	Contractual Obligations	14,302,637	9,624,461
28	UNAUTHORISED EXPENDITURE		
		None	None

29	ADDITIONAL DISCLOSURES IN TERMS OF MFMA
-----------	--

29.1 List of all municipal entities under the sole or shared control of the municipality

None

29.2 Contributions to organised local government

Opening Balance

Council subscriptions

232,847

146,836

Amount paid - current year

232,847

146,836

Amount paid - previous year

Balance unpaid (included in creditors)

0

0

29.3 VAT

VAT payment due from the SARS

1,407,603

1,022,528

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year

29.4 PAYE and UIF

Opening Balance

0

0

Current year payroll deductions

5,930,583

5,037,683

Amount paid - current year

5,930,583

5,037,683

Amount paid - previous year

0

0

Balance unpaid (included in creditors)

0

0

29.5 Pension and Medical Aid Deductions

Opening Balance

0

0

Current year payroll deductions and Council Contributions

13,396,946

10,603,902

Amount paid - current year

13,396,946

10,603,902

Amount paid - previous year

0

0

Balance unpaid (included in creditors)

0

0

30	DISCLOSURE TO FINANCIAL STATEMENTS IN TERMS OF REGULATION 36(2) OF THE MUNICIPAL SUPPLY CHAIN MANAGEMENT REGULATIONS
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Written quotations up to R 30,000

1,695,990

0

Formal written quotations R 30,000 to R 200,000.00

1,816,466

0

Tenders above R 200,000.00

253,782

0

3,766,238

0

General reasons for deviations are inter alia the following:

- * Emergencies, eg. Floods and areas where delays in repairs to Sewer, Water, etc. could result in loss of lives, health hazards and reputational risks.
- * Parts / Equipment / Engines have to be stripped in order to determine the extent of repairs required.
- * Where the required number of suppliers fail to quote or tender after duly advertisement.
- * Sole suppliers of goods and services.

31	DISCLOSURE OF FRUITLESS AND WATEFUL EXPENDITURE
-----------	--

Guthrie & Theron

42,933

0

(Legal fees had to be paid to reverse land sales relating to the year 2005)

32	ASSESSMENT RATES	<u>2007/2008</u>	<u>2006/2007</u>
<u>Rateable site valuations at 1 July:</u>			
Residential		1,079,154,903	1,081,770,144
Commercial		293,526,500	294,590,500
Government		61,009,800	61,009,800
Municipal		99,648,860	98,045,660
Total site valuations at 1 July		1,533,340,063	1,535,416,104
<u>Basic rate</u>			
Residential		1.4527c/R	1.37047c/R
Commercial		1.4527c/R	1.37047c/R
<u>Rates income</u>			
General		30,593,875	24,575,215

Valuations on land are performed every five years and the last general valuation came into effect on 1 July 2003. Rebates were granted on land with buildings used solely for dwelling purposes as follows:

Residential - The first R15 000 on the valuation is exempted

STATUTORY FUNDS, RESERVES, TRUST FUNDS AND PROVISIONS

Description	Balance 01/07/2007	Contributions ex Gen. 2007/2008	Interest 2007/2008	Other Contributions 2007/2008	Capital Expenses 2007/2008	Other Expenses 2007/2008	Written back	Balance 30/06/2008
-------------	-----------------------	---------------------------------------	-----------------------	-------------------------------------	----------------------------------	--------------------------------	-----------------	-----------------------

1.	STATUTORY FUNDS	-	-	-	-	-	-	-
	Housing development	-						-

2.	RESERVES	7,627,185	3,149,914	1,995,318	-	-	-	-	12,772,417
	Loan redemption fund	2,570,300	934,674	672,406					4,177,380
	Asset Financing fund	5,056,885	2,215,240	1,322,912					8,595,037

3.	TRUST FUNDS	16,503	-	-	-	-	-	-	16,503
	Group Insurance	16,503	-	-	-	-	-	-	16,503

TOTAL: STAT.F./RES		7,643,688	3,149,914	1,995,318	-	-	-	-	12,788,920
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4.	PROVISIONS	5,256,109	-	-	-	-	15,941	371,121	4,869,047
	Leave Gratuity fund	5,191,690						371,121	4,820,569
	Lump Sum Pension	64,419					15,941		48,478

TOTAL: PROVISIONS		5,256,109	-	-	-	-	15,941	371,121	4,869,047
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EXTERNAL LOANS AND INTERNAL ADVANCES

Balance at 01/07/2007	Received during the year	Redeemed or written off during the year	Balance at 30/06/2008
--------------------------	--------------------------------	--	--------------------------

EXTERNAL LOANS

ANNUITY LOANS	33,623,086	24,647,514	1,479,274	56,791,326
				-

(refer to note 4)

33,623,086	24,647,514	1,479,274	56,791,326
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ANALYSIS OF FIXED ASSETS

Expenditure 2006/2007	SERVICE	Budget 2007/2008	Balance at 01/07/2007	Revaluation and Re-allocation 2007/2008	Expenditure 2007/2008	Corrections 2007/2008	Written off, transferred or redeemed during the year	Balance at 30/06/2008
R		R	R	R	R	R	R	R
10,931,993	RATES & GENERAL SERVICES	40,844,514	112,400,397	9,302,449	35,749,365	122,878,885	1,236,168	279,094,928
2,752,468	Community Services	10,813,311	88,939,672	5,053,379	7,965,513	71,953,531	1,236,165	172,675,930
	Council General	-	-	-	-	389,353	-	389,353
	Municipal Manager	-	297,931	29,779	-	52,529	-	380,239
	Town Treasurer	100,000	-	549,720	102,323	258,006	15	910,034
30,308	Traffic Services	800,000	278,655	663,119	734,188	551,681	80	2,227,563
	Stores/Workshop	15,000	-	950,111	12,113	24,696	1	986,919
	Human Resources	5,000	-	99,667	4,453	131	-	104,251
	ODM	-	-	-	-	1	-	1
	Cemeteries	-	503,981	-	-	305,421	-	809,402
	Sports Grounds	1,000,000	-	-	959,578	131,432	-	1,091,010
	Secretary	-	-	13,095	-	18	-	13,113
2,173,987	Roads & Storm Water	5,789,256	11,282,476	1,377,701	4,127,003	67,565,042	-	84,352,222
548,173	Corporate Services	2,276,087	743,685	993,800	1,641,084	878,147	69	4,256,647
	Information Technology	15,000	-	-	12,340	-	-	12,340
	Other Assets	-	4,519	-	-	(4,519)	-	-
	Vehicles	-	116	-	-	(116)	-	-
	Planning Services	712,968	-	134,657	278,320	77,538,460	1,236,000	76,715,437
	Operational Services	100,000	-	241,730	94,111	91,558	-	427,399
	Property	-	75,454,475	-	-	(75,454,475)	-	-
	Planning	-	373,834	-	-	(373,834)	-	-

Expenditure 2006/2007	SERVICE	Budget 2007/2008	Balance at 01/07/2007	Revaluation and Re-allocation 2007/2008	Expenditure 2007/2008	Corrections 2007/2008	Written off, transferred or redeemed during the year	Balance at 30/06/2008
408,367	Subsidised Services	216,811	3,308,477	1,033,093	205,016	30,401,022	1	34,947,607
	Library	10,959	-	368,618	9,911	286,715	1	665,243
	Civil Protection & Fire Protection		19,534			(19,534)		-
408,367	Municipal Buildings and Grounds		2,796,049	174,088		28,844,791		31,814,928
	Nature Garden	33,000		86,959	32,281	44,943		164,183
	Parks & Recreation	172,852	492,894	403,428	162,824	1,244,107		2,303,253
7,771,158	Economic Services	29,814,392	20,152,248	3,215,977	27,578,836	20,524,332	2	71,471,391
929,582	Cleansing & Sanitation	246,000	3,233,755	1,316,931	242,271	838,493		5,631,450
6,841,576	Sewerage & Purification	29,568,392	16,918,493	1,899,046	27,336,565	19,667,833	2	65,821,935
	Camping & Swimming Bath		-			18,006		18,006
-	HOUSING SERVICE	28,913,731	123,248	10,721	32,371,986	(108,964)	-	32,396,991
	Administration Housing	28,913,731	123,248	10,721	32,371,986	(108,964)		32,396,991
	Mun. Infrastructure Service	-	-					-
5,359,306	TRADING SERVICES	17,974,946	34,539,921	1,094,130	14,129,328	31,529,376	-	81,292,755
3,036,590	Electricity	4,415,342	11,137,544	318,477	3,013,694	10,436,151		24,905,866
2,322,716	Water	13,559,604	23,402,377	775,653	11,115,634	21,093,225		56,386,889
16,291,299	TOTAL : FIXED ASSETS	87,733,191	147,063,566	10,407,300	82,250,679	154,299,297	1,236,168	392,784,674
LESS:	LOANS REDEEMED AND OTHER CAPITAL RECEIPTS		(106,350,658)	(164,706,597)	(69,017,807)	-	(243,106)	(340,318,168)
	Loans redeemed, advances repaid		(11,330,551)				(1,479,274)	(12,809,825)
	Contributions from Operating income		(133,000)		(6,751,324)		1,236,168	(5,648,156)
	Provisions and Reserves		-					-
	Grants and Subsidies		(94,887,107)		(62,266,483)			(157,153,590)
	Contributions from the public		-					-
	Revaluation & Corrections		-	(164,706,597)				(164,706,597)
	NET FIXED ASSETS		40,712,908	(154,299,297)	13,232,872	154,299,297	993,062	52,466,506

**ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008**

BUDGET			ACTUAL	
2006 / 2007	2007 / 2008		2007 / 2008	2006 / 2007
REVENUE				
24,575,215	34,562,391	Property Rates	30,593,875	24,174,395
66,982,745	75,185,015	Service Charges	74,703,037	65,138,306
500,000	965,661	Interest Earned - External Investments	838,035	1,128,807
3,600,000	4,563,133	Interest Earned - Outstanding Debtors	7,255,607	5,111,082
15,040,000	15,050,000	Fines	6,320,037	8,501,986
58,026,194	95,026,610	Government Grants and Subsidies	90,782,412	59,032,012
37,947,075	35,041,536	Other Income	28,137,539	28,587,980
206,671,229	260,394,346	TOTAL REVENUE	238,630,542	191,674,568
EXPENDITURE				
51,578,448	63,917,186	Employee Related Costs	57,455,870	44,839,063
5,159,241	5,002,565	Remuneration of Councillors	4,885,908	5,070,514
13,194,525	11,189,897	Bad Debts	11,189,897	13,194,525
0	0	Collection Costs	0	0
4,129,255	4,924,574	Depreciation	2,413,948	2,603,256
9,606,685	14,952,970	Repairs and Maintenance	12,338,401	8,679,520
5,084,957	5,274,435	Interest on External Borrowings	3,976,790	2,997,700
15,353,600	17,014,542	Bulk Purchases	17,013,556	15,765,001
13,647,767	18,373,482	Contracted Services	8,349,091	11,555,140
0	0	Grants and Subsidies paid	0	0
49,536,751	53,065,303	General Expenditure	50,919,101	46,105,809
167,291,229	193,714,954	EXPENDITURE	168,542,562	150,810,528
35,380,000	61,679,392	Contributions to fixed assets	61,532,563	30,795,934
4,000,000	5,000,000	Contributions to funds, reserves	2,249,240	1,587,481
0	0	Loss on disposal of Property, Plant and Equipment	0	0
206,671,229	260,394,346		232,324,365	183,193,943
0		Less: Inter Dep Charges		
206,671,229	260,394,346	NET EXPENDITURE	232,324,365	183,193,943
0	0	SURPLUS/(DEFICIT) FOR THE YEAR	6,306,177	8,480,625

**DETAILED INCOME STATEMENT FOR THE YEAR
ENDED 30 JUNE 2008**

2006/2007 Actual Income	2006/2007 Actual Expenditure	2006/2007 Surplus/ (Deficit)		2007/2008 Actual Income	2007/2008 Actual Expenditure	2007/2008 Surplus/ (Deficit)
R	R	R		R	R	R
11,429,125	14,186,790	(2,757,665)	Executive & Council	13,716,671	24,906,820	(11,190,149)
6,847,103	7,159,161	(312,058)	Directorate Corporate Services	7,952,649	12,246,340	(4,293,691)
4,582,022	7,027,629	(2,445,607)	Council's General Expenses	5,764,022	12,660,480	(6,896,458)
56,226,933	30,100,711	26,126,222	Finance & Admin	67,493,512	25,939,463	41,554,049
26,343,644	20,950,294	5,393,350	Financial Services	31,661,467	17,612,989	14,048,478
24,174,395	2,446,009	21,728,386	Property Rates	30,637,968	237	30,637,731
1,558,629	1,194,417	364,212	Information Technology	1,558,629	1,483,744	74,885
1,931,269	1,736,601	194,668	Human Resources	1,847,781	2,407,258	(559,477)
2,218,996	3,460,194	(1,241,198)	Property Services	1,787,667	4,266,185	(2,478,518)
-	313,196	(313,196)	Internal Audit	-	169,050	(169,050)
3,639,494	5,274,844	(1,635,350)	Planning & Development	3,571,764	6,453,699	(2,881,935)
2,423,323	1,433,759	989,564	Town Planning	3,322,866	2,085,698	1,237,168
1,216,171	2,253,604	(1,037,433)	IDP / LED	248,898	1,512,763	(1,263,865)
-	-	-	Property Management	-	136,480	(136,480)
-	-	-	Building Control	-	469,518	(469,518)
-	1,587,481	(1,587,481)	Asset Finance Reserve	-	2,249,240	(2,249,240)
1,866,804	1,544,476	322,328	Health	-	-	-
1,188,090	943,701	244,389	Clinic Services	-	-	-
-	-	-	Public Health Services	-	-	-
571,278	508,735	62,543	Grabouw Health Centre	-	-	-
107,436	92,040	15,396	Grabouw X-Ray Unit	-	-	-

2006/2007	2006/2007	2006/2007		2007/2008	2007/2008	2007/2008
Actual Income	Actual Expenditure	Surplus/ (Deficit)		Actual Income	Actual Expenditure	Surplus/ (Deficit)
R	R	R		R	R	R
3,103,450	5,463,825	(2,360,375)	Community & Social Services	3,572,171	7,320,171	(3,748,000)
2,927,995	5,077,344	(2,149,349)	Library	3,383,052	6,846,727	(3,463,675)
175,455	386,481	(211,026)	Cemeteries	189,119	473,444	(284,325)
194,458	2,120,424	(1,925,966)	Housing	1,828	2,998,591	(2,996,763)
			Admin Housing and Informal Settlements			
194,458	2,120,424	(1,925,966)		1,828	2,998,591	(2,996,763)
-	-	-	Scheme Rentals	-	-	-
7,021,885	9,457,959	(2,436,074)	Public Safety	6,331,339	8,869,819	(2,538,480)
7,017,070	8,624,920	(1,607,850)	Traffic Services	6,320,037	7,670,669	(1,350,632)
-	316,762	(316,762)	Civil Protection & Fire Protection	-	395,472	(395,472)
-	304,048	(304,048)	Law Enforcement	-	751,601	(751,601)
4,815	212,229	(207,414)	Other	11,302	52,077	(40,775)
151,779	4,879,303	(4,727,524)	Sport & Recreation	147,523	5,896,216	(5,748,693)
-	3,233,256	(3,233,256)	Parks and Recreation	-	3,659,762	(3,659,762)
135,630	484,355	(348,725)	Swimming pool & Camping Site	136,701	485,726	(349,025)
2,781	794,855	(792,074)	Nature reserve	442	961,785	(961,343)
13,368	366,837	(353,469)	Sports Grounds	10,380	788,943	(778,563)
-	38,678	(38,678)	Environmental Protection	-	-	-
-	38,678	(38,678)	Pollution Control	-	-	-
12,849,155	12,663,355	185,800	Waste Management	15,102,640	14,259,650	842,990
12,849,155	12,663,355	185,800	Solid Waste	15,102,640	14,259,650	842,990

2006/2007	2006/2007	2006/2007		2007/2008	2007/2008	2007/2008
Actual Income	Actual Expenditure	Surplus/ (Deficit)		Actual Income	Actual Expenditure	Surplus/ (Deficit)
R	R	R		R	R	R
10,658,636	9,336,333	1,322,303	Waste Water Management	11,788,886	10,916,303	872,583
10,226,196	5,594,501	4,631,695	Sewerage	11,018,382	5,503,699	5,514,683
-	2,655,120	(2,655,120)	Sewerage Purification	-	3,416,131	(3,416,131)
432,440	1,086,712	(654,272)	Sewerage Tanker Services	770,504	1,996,473	(1,225,969)
-	-	-		-	-	-
3,788,938	14,407,909	(10,618,971)	Road Transport	5,060,603	16,250,187	(11,189,584)
144,126	536,158	(392,032)	Proclaimed Main Roads	1,000,510	922,567	77,943
851	11,183,338	(11,182,487)	Roads	-	12,216,607	(12,216,607)
3,643,961	2,688,413	955,548	Vehicle Licensing and Testing	4,060,093	3,111,013	949,080
20,958,457	18,234,160	2,724,297	Water	21,809,729	20,479,896	1,329,833
20,958,457	18,234,160	2,724,297	Water Distribution	21,809,729	20,479,896	1,329,833
23,236,855	18,956,025	4,280,830	Electricity	27,341,564	20,170,555	7,171,009
23,236,855	18,956,025	4,280,830	Electricity Distribution	27,341,564	20,170,555	7,171,009
36,548,599	36,529,151	19,448	Other	62,692,312	67,862,995	(5,170,683)
-	429,418	(429,418)	Stores and Workshops	-	-	-
30,795,929	30,795,929	-	Subsidies and Grants	62,230,921	62,230,921	-
1,270,202	969,573	300,629	Admin. : Community Services	-	-	-
4,482,468	4,334,231	148,237	Admin. : Operational Services	461,391	4,468,299	(4,006,908)
			Admin: Planning and Development		1,163,775	(1,163,775)
191,674,568	183,193,943	8,480,625	TOTAL	238,630,542	232,324,365	6,306,177

(7,639,764)	Appropriations for the year (Refer to note 17)	-13,204,744
840,861	Net surplus/(deficit) for the year	-6,898,567
13,121,394	Accumulated surplus/(deficit) at the beginning of the year	13,962,255
13,962,255	Accumulated surplus/(deficit) at the end of the year	7,063,688

4.15

APPENDIX F

STATISTICAL INFORMATION (as at 30 June)				
-				
1	General statistics	2008	2007	2006
a	Population (2001 Census)	93,276	93,276	93,276
b	Number of Households (2001 Census)	23,046	23,046	23,046
c	Number of Councillors	23	23	23
d(i)	Number of employees in the service of the Council	547	497	482
d(ii)	Number of posts identified in the organisation structure	714	525	525
e	Area in sq. kilometres	324,599	324,599	324,599
f	Number of registered voters	45044	45044	45044
2	Electricity statistics			
a	Number of consumers	7,915	6,333	6,114
b	kWh purchased	62,857,932	61,051,259	57,547,883
c	kWh sold	58,689,264	56,610,050	54,834,522
d	Distribution loss (kWh)	4,168,668	4,441,209	2,713,361
e	Distribution loss (%)	6.63	7.27	4.71
f	Cost per kWh purchased	R 0.20	R 0.19	R 0.17
g	Loss with distribution (d x f)	R 851,659	R 858,486	R 470,225
h	Cost per kWh sold (expenditure / c)	R 0.1588	R 0.3750	R 0.1733
i	Income per kWh sold (income / c)	R 0.39	R 0.37	R 0.36
3	Water statistics			
a	Number of consumers	13,758	11,671	11,341
b	m3 sold	3,578,657	3,624,555	0
c	Loss with distribution	18	22	0
4	Sundry Statistics			
a	Building plans passed	137	445	**Not available
a(ii)	Value of building plans passed	95,720,350	29,216,062	**Not available
b	Number of waste removal points p.m.	13,437	13,693	13,591
c	Number of sewerage points p.m.	12,219	12,612	12,748
d	Sewerage purification (m3)	3,880,838	3,742,548	3,595,250
e	Sewerage purification cost per m3	2.16	2.89	0.74
f	Housing Rentals	45	126	75
g	Number of Informal Settlements	3,903	3,220	2,960
h	Number of receipts issued	136,335	106,900	101,778
i	Number of Library books issued	345,119	382,813	361,688
5	Indigent & Credit Control Statistics			
a	Number of Indigent Households	5,859	5,217	8,059
b	Cash value of Indigent Subsidies	5,451,662	6,812,795	7,467,407
c	Disconnections due to non-payment:			
	Electricity	89	299	244
	Water	1,014	2,258	2,428
d	Reconnections due to non-payment:			
	Electricity	72	241	181
	Water	159	580	347
e	Total amount handed over i.r.o. outstanding debtors	0	0	7,036,581
f	Percentage of Households with access to basic services	100%	100%	100%
g	Percentage of indigent households with access to basic services	100%	100%	100%

4.16

APPENDIX F(2)

LIQUIDITY RATIOS & FINANCIAL INDICATORS AS AT 30 JUNE

	<u>Note</u>	<u>R</u>	<u>Indicator</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1	Current Assets/Current Liabilities			1.70:1	1.55:1	1.53 : 1
	<u>Current Assets</u>	B/Sheet 54,066,158				
	<u>Current Liabilities</u>	B/Sheet 31,736,241				
2	External Loan Debt to Capital Outlay		%	14.46	22.86	9.79
	<u>External loan debt X 100</u>	App. B 56,791,326				
	<u>Capital Outlay</u>	App. C 392,784,674	X 100			
3	Average period of outstanding loan debt		Years	38.39	20.15	16.06
	<u>Total Loan debt</u>	App. B 56,791,326				
	<u>Redemption for this year</u>	1,479,274				
4	Loan Debt servicing costs (External)		%	2.29	2.43	2.40
	<u>Capital charges(External) X 100</u>	Note 16 5,456,065				
	<u>Total Income</u>	App. D 238,630,542	X 100			
5	Working capital requirement as a percentage of Total Income		%	22.66	19.37	5.95
	<u>Net Current Assets X 100</u>	B/Sheet 54,066,158				
	<u>Total Income</u>	App. D 238,630,542	X 100			
6.1	Increase in outstanding debtors for services		%	26.44	13.16	23.51
	<u>Increase in Debtors</u>	27,842,688				
	<u>Service levies</u>	105,296,912	X 100			
6.2	Increase in outstanding debtors for services (bad debts written off excluded)		%	9.82	11.91	23.66
	<u>Increase in Debtors</u>	10,335,929				
	<u>Service levies</u>	105,296,912	X 100			
7	Outstanding Debtors to Revenue- Act 32/2000		%	12.50	9.39	11.56
	<u>Total Outstanding Services Debtors</u>	18,474,004				
	<u>Annual Income</u>	147,848,130	X 100			
8	Debt Coverage - Act 32/2000		%	2709.79	3320.17	3364.33
	<u>Total Income - Conditional Grants</u>	147,848,130				
	<u>Capital Charges</u>	5,456,065	X 100			
9	Cost Coverage - Act 32/2000		%	8.74	9.41	4.40
	<u>Cash and Investments</u>	20,313,932				
	<u>Fixed Expenses</u>	232,324,365	X 100			
			Days	31.90	34.35	16.05

4.17 GRANTS RECEIVED AND SPENT

GRANT-IN-AID RECEIVED AND SPENT DURING 2007 / 2008 FINANCIAL YEAR					
	Balance		Spent	Balance	% Spent
Particulars	2007/07/01	2007/08	2007/08	2008/06/30	
MSIG	604,110	734,000	1,109,191	228,919	82.89%
FMG	508,241	500,000	621,339	386,902	61.63%
MIG		27,871,382	28,492,262		100%
HOUSING	487,731	33,104,549	32,371,340		96.37%
ROR	300,000	250,000	4,505	545,495	0.82%
CDW's	180,000	180,000	37,023	322,977	10.28%
LGSETA	113,253	2,678	59,900	56,030	
GIS	399,407	0	281,855	117,553	70.57%
MASIBAMBANI DWAF		502,600	495,461	78,398	86.34%
BOTRIVIER LIBRARY	1,959	0	1959	0	100%
PROJECT PREPERATION GRANT	62,500	62,000	55,100	69,400	44.26%
FINANCIAL REFORM ODM	17,740			0	
	12,852	0	0		0.00%
TOILETS GRABOUW		0	138,924	21,076	
NATIONAL ELECTRIFICATION PROGRAMME	1,057,192	0	747,286	309,906	70.69%
DENNEKRUIN TOWN ESTABLISHMENT	49,968	0	0	49,968	0.00%
GENADENDAL WATER UPGRADE	138,480		129,865		93.78%
	1,000,000	0	959,578	40,422	95.96%
MULTI-PURPOSE BUS : ODM	500,000	0		257,444	48.51%
TOTAL	6,285,572	63,207,208		3,726,896	94.64%

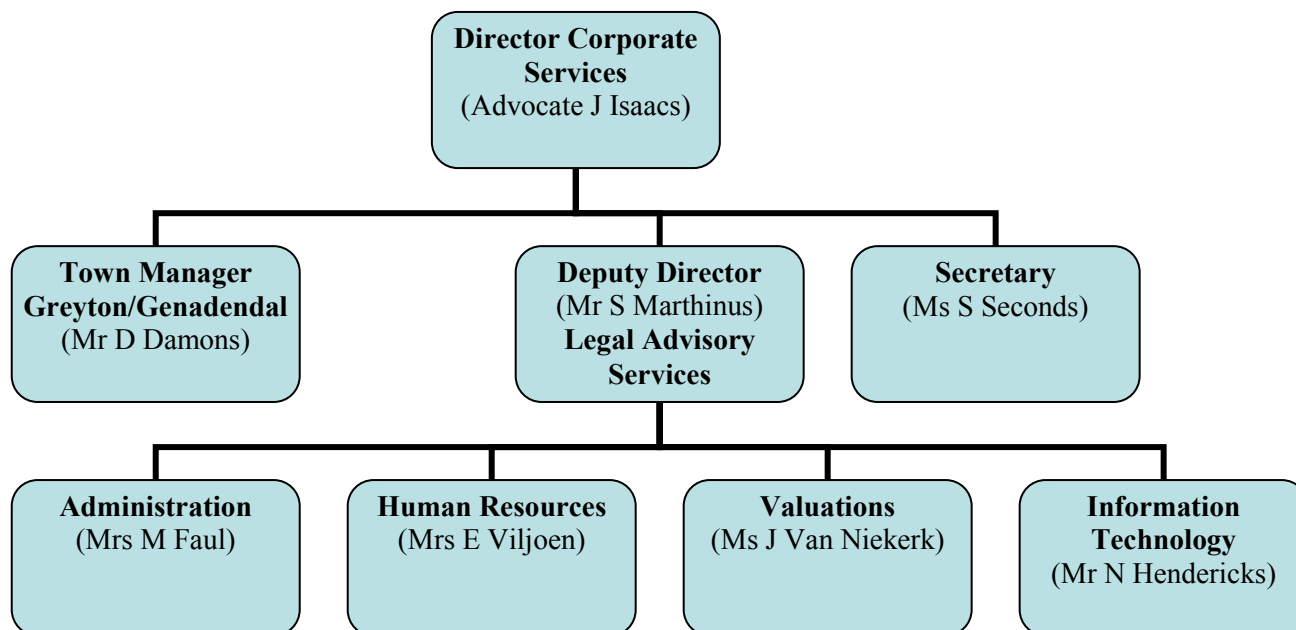
4.18 RATES & SERVICES DEBTORS STATISTICS

Debt Type	0-30 Days (R'000)	30-60 Days (R'000)	60-90 Days (R'000)	Over 90 Days (R'000)	Total (R'000)	%
Water	1,662	833	578	15,482	18,555	24.43%
Electricity	1,638	320	136	1,086	3,180	4.19%
Property Rates	1,369	681	568	15,207	17,825	23.47%
Other	2,617	1,104	1,052	31,631	36,404	47.92%
Total	7,286	2,938	2,334	63,406	75,964	100.0%
Percentage	9.59%	3.87%	3.07%	83.47%	100.0%	
Debtors	0-30 Days (R'000)	30-60 Days (R'000)	60-90 Days (R'000)	Over 90 Days (R'000)	Total (R'000)	%
Government	277	80	42	1,137	1,536	2.02%
Business	3,740	586	418	7,597	12,341	16.25%
Households	3,043	2,241	1,726	53,491	60,501	79.64%
Other	225	32	148	1,181	1,586	2.09%
Total	7,285	2,939	2,334	63,406	75,964	100.0%
Percentage	9.59%	3.87%	3.07%	83.47%	100.0%	

CHAPTER 5

FUNCTIONAL SERVICE DELIVERY REPORTING

5.1 DIRECTORATE CORPORATE SERVICES



5.1.1 Legal Advisory

Description of Function

Both the Director and deputy Director Corporate Services are the Legal Officers for the organisation and provide legal support to all Directorates.

The Municipality's Mandate

The legal officers must advise the council and must take the relevant steps to ensure that the municipality complies with all legislation.

The strategic objectives of this function are to:

- Advise council on Compliance with legislation.
- Advise on Contracts.
- Advise on legal matters

These include the development of by-laws in conjunction with the various departments, compliance with legislation, and policy and access to updated legislation.

5.1.2 Administration

Description of Function

The Administrative section continuously strives to:

- Give administrative support to the Council and its political structures.
- Corporate support for other Directorates and Town offices.
- Provision of secretariat services to all directorates..
- The management of the municipality's incoming and outgoing mail including the distribution and dispatch of correspondence to and from the public.
- The management of access to records.
- The management of Security and Cleaning Services.
- The management of the Switchboard.

The strategic objectives of this function are to:

- Improve administrative systems and internal procedures.
- Fast tract the implementation of political decisions through communication between council and the various departments regarding the implementation of decisions.
- To improve internal communication between council and officials.

5.1.3 Information Technology

Description of Function

The Information Technology department serves as support function for the whole of the organisation.

The strategic objectives of this function are to:

- Maintaining the IT and communication Infrastructure.
- Facilitate the integration of information systems.
- Establishing and maintaining proper backup procedures and systems.
- Ensuring information security.

Since May 2007 the Information Technology department faced many obstacles regarding the general infrastructure of the Council. The Department spent 80% of its day on crisis management. An internal strategic plan was implemented and since April 2008 the I.T section shifted from a crisis management unit to a more stable and manageable unit being able to focus on technology within government.

After the change the Department started focusing on the basic infrastructure. Two key areas were identified and addressed, namely converting all town offices to a more secure wireless network and replacing the old computers of the town offices.

The I.T division has also formed part of an independent CIO unit made up of private sector companies and various municipalities in the Western Cape. The unit gathers once every four months to discuss the challenges faced by the different municipalities with regard to information technology and finding cost effective solutions for such challenges.

Our goal is to create a more stable and manageable I.T environment within the council infrastructure by the end of the 2010/2011 financial year. These cost saving strategies will allow the I.T division to invest in new technologies and effective forward planning that will ensure overall service delivery.

In the 2008 / 2009 financial year the Department will focus on

- Amalgamation of main servers
- I.T Asset management & tracking
- Security management and analysis
- Online services for public and employees

Constraints

The IT department was tremendously understaffed with only one personnel responsible for the overall municipal user support. Turn around time on support calls was frustrating to officials as this individual had to travel between the eight towns to provide the required service. This caused major dissatisfaction among the personal as the IT section seemed not to deliver as expected.

The lack in capacity was addressed by the appointment of a temp to assist with the backlog. This position has since been filled permanently.

5.1.4 Human Resources

5.1.5 Description of Function

The Human resource department also provides a support function to all directorates, towns, staff and political executive leadership within the municipality.

The strategic objectives of this function are to:

The overall objective of this unit is to transform the organisation into an effective developmental organisation. The strategic objects are:

- Ensuring a skilled workforce through training and selection.
- Ensuring sound HR administration.
- Ensuring an informed labour force by practicing sound labour relations.
- Ensuring a sound organisational structure.

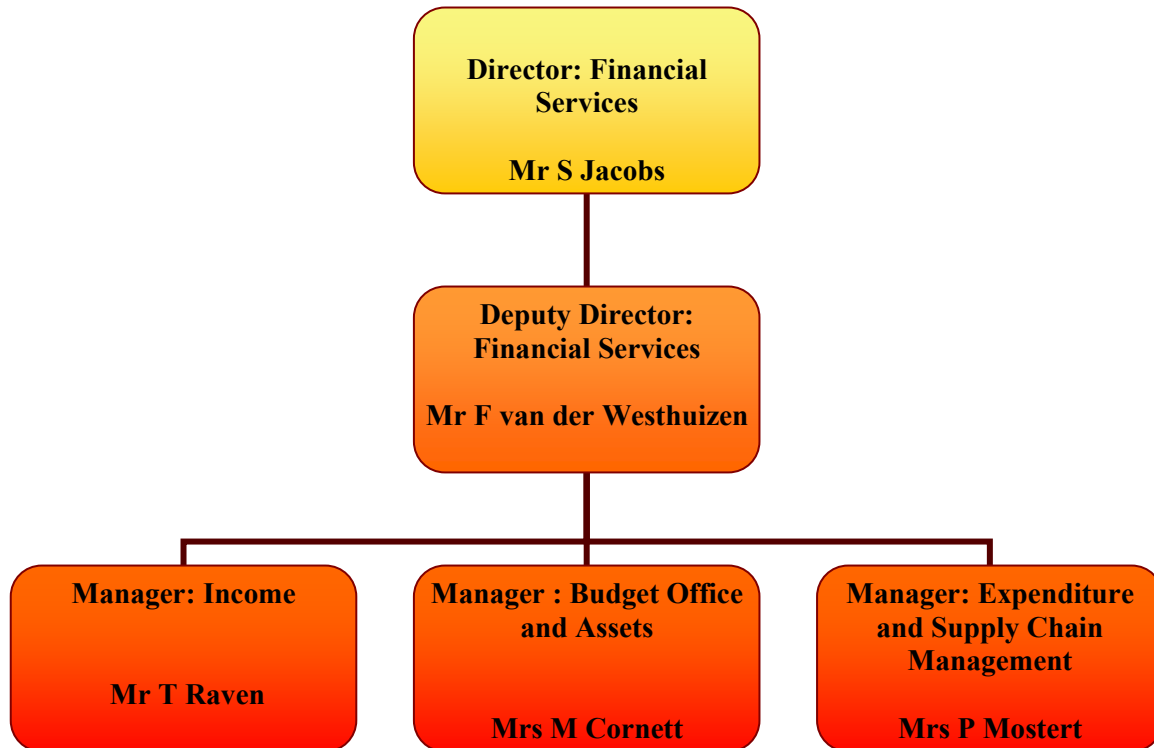
Key Performance Areas include:

- Compilation of Policies and Related Procedures.
- Organisational Development.
- Recruitment and Selection.
- Personnel Administration.
- Training and Development.
- Labour Relations and Local Labour Forum.
- Health and Safety.
- Employee Performance.

The following was accomplished during the 2007/2008 financial year:

- Skills Development Plan compiled and submitted to LGSETA on 30 June 2008.
- 27 Human Resources policies developed in terms of SALGA guidelines.
- OHSACT policy compiled and implemented health and safety committees.
- Compiled an Employment Equity Plan and submitted to Department of Labour.
- Completed recruitment and selection process of all new positions indicated in the 2007/2008 budget.

5.2 DIRECTORATE FINANCE



Mission

The Finance Directorate is committed to the objective of improving the quality of the lives of local citizens of Theewaterskloof Municipality and ensures good governance by:

- Providing a **support service** to the Service Delivery Directorates.
- To create an **enabling environment** for effective, efficient and **economic service delivery**.
- Ensuring that the municipality maintains **Financial Viability** and a healthy cash flow.
- Assured and provident **Financial Management** and **Budgetary Control**.

- Good **customer service**.
- Ensure **Financial Risk Management** to safeguard council's financial resources.
- Regular, accurate, relevant add meaningful reporting to foster **accountability**, **transparency** and the use of financial reports to assist in decision-making.
- Setting and maintaining **high standards** in financial management.
- **Advising** the Accounting Officer and Senior Managers on financial matters.

Core Functions

Finance Directorate is not a direct service delivery directorate but provides a support service and assist in creating an enabling environment for effective, efficient and economic service delivery.

Expenditure and SCM

Salaries: Implementation of approved payroll, paying of salaries, allowances and accounting for payroll implementation.

Creditors: Payment and recording of creditors' payments and reconciliations.

SCM: Responsible for procurement of goods and service, i.e. Acquisition Management in particular.

Revenue Section

Responsible for:

- Facilitation and application for municipal services
- Billing of Debtors on financial system
- Meter reading
- Rendering of monthly consumer/rates debtors accounts.
- Receiving of amounts,
- Receipting and banking revenue management,
- Credit Control and Debt Collection.

Budget Office

Responsible for Budget, In-year Reporting, Annual Financial Statements, Budgeting Control, Asset Management and Insurance Management.

Swot Analysis

Strengths:

- Organogram adopted to meet strategic objectives of Directorate and Council.
- Capacity to comply with all relevant local government legislation.
- Interdepartmental co-operation and teamwork.
- Sharing of common vision.
- Commitment of staff.
- Delegations finalised.
- Skills development, capacity building and knowledge sharing.

- Unqualified Audit Report.
- Policies, Processes and Procedures are in place.

Weaknesses:

- Inability to robustly address community needs due to the lack of sufficient funds: low revenue base.
- Staff turnover.
- Implementation of Budgets.
- Lack of marketing of TWK.
- Spatial Development Framework, Land Audit.
- Outdated and unreliable Socio-Economic-Demographic statistics.

Threats:

- Economic and political conditions impacting on service delivery.
- Unfunded mandates and the cost of rendering such services.
- Unattractive packages causes an exit of experienced and skilled staff.
- Lack of development preventing growth in revenue base.
- Social problems (Unemployment, Crime, Substance Abuse and HIV / Aids).
- Unemployment decreases the ability to pay for Rates / Service targets.
- Public perception of municipality and expectations management.
- Current political “revolution”, Zimbabwe crises, global market conditions and recession.
- Cold war between USA and Iran could lead to major escalation if fuel prices, affordability of municipal taxes and service charges and other commodities and job losses.
- That South Africa may lose its status as the premier country on the continent.

Opportunities:

- Staff development and empowerment through training programs.
- Communicate success to build community confidence.
- Improve revenue base.
- Strengthen relations with other spheres of government.
- Activity Based Costing as an Accounting Practice.
- Money scouting.
- Tourism as a major catalyst to Local Economic Development.
- Available land to attract investors

Sector Action Plan

The **Financial Viability Strategy** is ongoing. Provision will be made to refine and update the strategy and ensuring development, implementation and monitoring of the strategy. **(Refer to KPA 4)**

Transformation of Finance aims to become more strategic and a specialist supportive operation resulting in differentiation from the traditional departments in the remainder of the Western Cape as well as the country.

Cost and Management Accounting allows for accurate and reliable management information consequently determining the actual cost to deliver services and performing certain operations in TWK.

Tariff restructuring will ultimately result in cost saving and revenue enhancement.

Longer term Financial Management planning and funding solutions in cooperation with the service delivery / technical departments according to the infrastructure and bulk master planning and Spatial Development Framework.

The **enhancement of internal working procedure** to enable effective and efficient role and function performance, primarily structuring working relationships with clients.

Upgrading the Standard of Financial Management Performance, will focus developing and securing the financial viability of TWK.

Initiating, Guiding, Leading, Developing, Implementing and Overseeing a **Risk Management and Anti Corruption intervention** in the TWK and reporting on that and on the progress and success in addressing risk and corruption.

Training of Staff, Town Managers, Councillors and Ward Committees remain ongoing in the form of workshop sessions comprising of MFMA, Supply Chain Management, Insurance, Budgeting, Credit Control, Debt Collection, Indigents Management and Abakus Financial System.

Monthly Reports are submitted to the Provincial Treasury within 10 working days after month end as required in terms of Section 71 of the MFMA. The report is also presented to the Finance Portfolio.

Quarterly Reports are submitted to the Provincial Treasury within 10 working days after month end. The report is also presented to the Finance Portfolio and placed on the municipal website.

Mid-year Assessment Review is submitted to the Municipal Manager timeously to ensure that it is presented the Executive Mayor by 25 January and tables on this behalf. It is also submitted to the Finance Portfolio and placed on the municipal website.

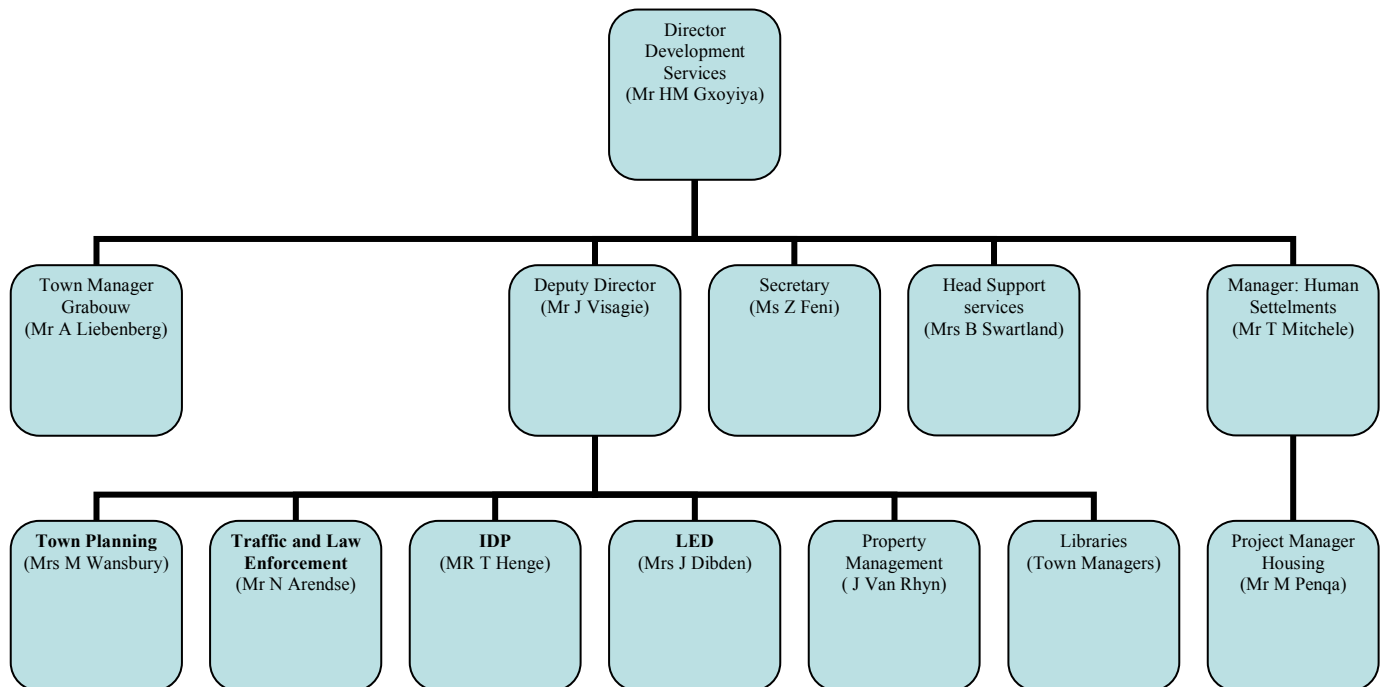
Annual Financial Statements are submitted by the end of August to the Auditor General for auditing

Annual Audit is conducted during September to November 2008 and Finance officials are extensively engaged in supplying documents, information, explanations to the team of Auditors.

Quarterly Audit Committee Meetings takes place and reports are submitted to Council after minutes have been adopted.

Budget Process is lead by the Director Finance in consultation with the Municipal Manager and Executive Mayor / Mayoral Committee. IDP / Budget Timetable is tabled at a Council Meeting for adoption before the end of August. Strategic Planning Workshop is conducted approximately the 3rd week of September and the Budget Guidelines are thereafter issued by Director Finance (towards the end of September). A Budget Guidelines Workshop is also conducted for Senior Managers, taking into account inter alia the Outcomes of the strategic Planning Workshop, Current year performance, projections, etc.

5.3 DIRECTORATE DEVELOPMENT SERVICES



The Directorate Development was established in February 2007 with the appointment of the Director Development. With the restructuring of the organisation the old Directorate: Community services was renamed Development Services.

5.3.1 Integrated Development Planning

5.3.2 Description of Function

This department provides a unique support service to all departments, community and council. It is responsible for the coordination and management of the public participation process, Organisational Performance Management, Annual Reporting, Service Delivery and Budget Implementation Plan, Social and Sports Development.

The Municipality's Mandate

The Theewaterskloof Municipality is mandated to annually review the IDP for the organisation, through a comprehensive assessment and planning process.

This department is also responsible for the annual performance reports which must be made available to both governmental institutions as well as the public.

The strategic objectives of the department are:

- Developing and managing a new generation IDP, which includes the annual five year revision.
- Managing and maintaining an effective PMS for the organisation (not in place for the financial year).

5.3.3 Local Economic Development (LED) and Tourism.

Description of Function:

Economic development is about increasing the opportunities for people to enhance their quality of life by participation in the production and consumption processes of the economy. Both economic growth and economic inclusion are embodied in the term economic development.

Theewaterskloof Municipality recognizes that Local economic development (LED) is a process by which government, business, communities and labour work collectively to stimulate and transform the economy and create new job opportunities. The purpose of LED is to build the economic competitiveness of a local area to improve its economic future and the quality of life for all.

LED is not industrial policy, SMME promotion or regional planning, even though all of these make important contributions to LED. LED is also not community development or one specific project or programme. Rather it is an approach that includes the sum total of the individual and collective contributions of a broad spectrum of the community that build on opportunities and/or address economic development constraints. LED focuses on creating qualities which make an area attractive to do business in. This includes ensuring there is good reliable infrastructure, having access to business development services and training for workers, the efficiency of the local administration and the general attitude towards business.

The strategic objectives of the department are:

- Coordinate and manage LED planning
- Create an enabling environment
- Build local capacity
- Encourage PPP in Local Economic Development
- Promote inter-departmental collaboration
- Monitor and evaluate LED strategy
- Facilitate the LED processes

5.3.4 Housing: Integrated Human Settlement

Description of Function:

The function of this department is to facilitate, manage and maintain low cost housing development within the Theewaterskloof municipality.

The strategic objectives of the department are:

- Development and administration of an integrated plan and housing policy.
- Effectively managing the housing database.
- Effectively managing the informal settlement through proper squatter management.
- Effectively managing housing capital projects.

Housing Allocation Policy

The following principles are followed in terms of housing allocations:

- **Equity** – All Residence of TWK must have equal opportunity for housing assistance.
- **Transparency** – All persons must be able to scrutinize procedures and list for evidence of irregular, unfair or corrupt practices.
- **Functionality** – Practical (Not Complex), Cost Effective.
- **Social Cohesion** – Minimise social conflict, optimize development progress, if conflict encounter justified deviation may be exercised.
- **Access** – Should not delay projects, No further Administrative Hurdels, Should enhance easier access to housing opportunities.
- **Integration** – Should promote Integrated Development.

The principles of allocation fall within 3 Groups:

- **Target Community - Project Specific**
Group of beneficiaries that gave rise to the housing project e.g. In-situ upgrade of An Informal Settlement – Surplus houses created in the project will be filled from the Municipal Submission.
- **Municipal Submission**
Name that the TWK Municipality may submit – Result of de- densification / Court Orders where Court Direct that Municipality must provide assistance, Meritorious cases (disabled persons etc.).
- The Housing database of the applicable Town
Housing Data Base
Changed Housing Waiting List – Housing Data Base
- Housing Data Base is a Potential Beneficiary List / Register
- Allocation from Dbase will be done according to following criteria:
 - Old Age
 - Disabled
 - Household headed by Children
 - Vulnerable Poor/ Sick
 - Date of Application

Planning Process

The following steps are followed during the planning phase:

- Identify Need for Housing Project in specific Town / Location.
- Arrange meeting with effected Community.
- Elect a Housing Beneficiary Committee (HBC) from potential beneficiaries to represent/ finalize beneficiary list/ plan & inform/ liaise with community and decide on type of housing development to apply for (PHP, Contract Built UISP etc.). Draft Social Compact Contract and sign (Document regulates the relationship between the community and the Municipality as the developer.
- Identify Land in consultation with HBC.
- Appoint Professional to:
 - Surveyor – survey contours and rocky outcrops, map servitudes (Electrical lines, Municipal Services and rivers etc.
 - Town Planner - draft Site Development Layout Plan / Township establishment etc.

- Civil Engineer – civil design.
- Independent Environmental Consultant – NEMA (full EIA or Basic Assessment).
- Geo-Tech Engineer – perform Geo-Tech survey and compile report.
- Project Application to PGWC - Gather of all information , motivate, draft cash flow and project implementation plan and submit to PGWC.
- Project approval - Signing of the Contract.
- Appoint Civil Contractor & Consulting Engineers – Enter into Contracts.
- Appointment of Building Contractor – Draft “Land Availability Agreement Contract” and sign.
- Submit request for payment of Tranch 1 to PGWC
- Building Contractor commence construction.

Timeframe varies from 6 to 24 Months.

Constraints

- Insufficient Capacity.
- Lack of certain policies are hampering decision making and implementation.
- Lack of suitable housing land in certain of the Town.
- Delays in transferring of land from PWD.
- Lengthy urban-, environmental planning processes.
- Limitations on existing bulk services and the upgrading thereof.
- Informal settlement control

Solutions to overcome constraint challenges

- better future planning.
- training of staff .
- drafting/ entering into more informed land availability agreements with Implementing Agent (learning from past experiences).
- identify the capacities to implement housing projects.
- Developing the policies and guidelines to inform proper management decision making.

5.3.5 Property Management

Description of Function

The Property Management section has to ensure that Municipal owned immovable assets are managed efficiently, effectively and economically and are dealt with in a manner which will ensure the maximum benefit to the municipality and the community.

As this section was only established in February 2007 a lot of challenges had to be dealt with in this year. Ground laying work had to be done to ensure legislative compliance, and efficient administration.

The Property Management section works closely with the IDP and LED sections in order to align the strategic objectives of the communities.

Strategic Objectives of the department are:

To improve the overall management of council owned property portfolios.

Key issues for the current financial year

- Huge backlog due to staff deficiency. Head Property Management was appointed in February 2007.
- Lack of policy and procedures pertaining to property management and administration.

Rental Stock

The rental stock of council consists of:

Town	Private Houses	Council Houses	Municipal Plots	Buildings	Advertising Space	Office Space	Total Income Rental
Grabouw		5	1	2		2	R 203,739.66
Villiersdorp		4	8	5			R 89,189.32
Caledon	2	4	9	3		1	R 265,508.76
Botrivier						1	R 26,713.28
Teslaarsdal							R 0.00
Rse			2				R 28,390.13
Greyton		1	25		2	1	R 16,339.67
Genadendal			2				R 80,230.00
Farms							33990

5.3.6 Town Planning, Building Control and Geographic Information System (GIS)

Description of Function

The role of the Town Planning section is to implement Council's Planning Instruments, Plans and Policies to preserve and promote Theewaterskloof physical environment and social and economic welfare of the community.

Strategic Objectives of the department are:

The aim of the town planning section is to facilitate economic growth, create employment and determine spatial development within the TWK area. The aim is therefore to promote health, prevent nuisance, to promote the property and efficient exploitation of land (agricultural, industrial, residential resources) in order to protect and conserve the natural environment. The actual planning process requires that much thought is put into the quality of the area that are being established/planned, how things are to be arranged within the area as well as pre-emptive strategies to accommodate future expansion.

Key issues for the current financial year

Qualified town planners at the TWK Municipality were only appointed in 2007 and 2008 that faced a lot of challenges during this period. A huge backlog existed concerning land use applications which had to be dealt within a very short period of time. Another aspect that also needed urgent attention was the appointment of building control officers within the building control unit.

The town planning section also includes the building control division as well as the GIS Unit which on their own, also faced huge challenges during the past year.

Backlog Concerning Land Use Applications

A huge backlog existed around land use applications which required urgent attention. This department made it its primary concern to address this backlog while new applications were also received on a continuous basis.

Building Control

The strategic objectives of the department are:

- Scrutinise and process all building plans as per relevant legislation.
- Inspection of all building works.
- Assist public with building related enquiries, complaints and unauthorised constructions.
- Monitor and control all building processes for compliance with all applicable legislation.

Constraints:

- The unit is under staffed with only two building inspectors for the current financial year.
- They have to drive an average of ± 1500 km per month.
- This results in each town receiving this services one day per week.
- They average $\pm 4-5$ hours in a specific town and cannot cover the area properly.
- Building Inspectors must return to the office to do administration such as printing of the notices.
- Notices are served a week later. Shortcomings: building work continues.

GIS

The GIS section for the municipality was established in February 2008 with the appointment of a GIS/Draftsman. The role of this unit is to update and maintain town plans (cadastral) within the jurisdiction of Theewaterskloof Municipality as well as any other GIS data and also assisting other departments within the municipality with GIS functions.

In order to ensure proper functioning of this unit essential equipment were procured which includes, Arcview GIS package, computer, 2 x A0 plotters, A0 laminator as well as 2 x AutoCAD Civil 3D packages. One Plotter and one Civil 3D Package were issued to the Operations directorate.

5.3.7 Libraries

Theewaterskloof Municipality has nine (9) libraries within the following Towns: Botrivier, Caledon, Grabouw, Pineview, Oostergloed, Riviersonderend, Greyton and Villiersdorp.

Description of Function

Strategic Objectives of this function are:	Goals	Objectives
1.Collection Development	Maintain a balanced, current and attractive collection.	Offer the best collection to our patrons within our budget, means and accessibility
2.Programs	Increase library programs to meet community needs , support learning and promote literacy	Offer quality programs of interest that will appeal to broader population
3.Services	Offer services which will benefit the community	Promote new and adjust current services which will be in line with the needs of the community and current trends of other information enterprises
4. Public Awareness	Educate the community in services, programs and activities offered by the library	Increase awareness and involvement in the community by responding to new trends and needs
5. Technology	Provide ICT access at all nine libraries	Make technology available and accessible to our patrons with provision and access to the I-net.

Analysis of the Function:

Analysis of the Function:	Statistical Information:	No of Libraries	No of Staff	No of Users	Annual Circulation (items)	Average circulation per borrower (items per year)
Library services	Theewaterskloof	9	23	19544	345 120	17.6

5.3.8 Traffic Services and Law Enforcement.

Description of Function

The main function of this unit is to promote an effective and efficient Traffic Law Enforcement through executing a sustainable road traffic and by-law enforcement plan.

The unit is made up of the following sub sections:

- Traffic Law enforcement (issuing and processing of traffic fines).
- Vehicle registration and licensing (renewal of motor vehicle licences and the registration of new and used vehicles).
- Municipal Law enforcement.

Strategic Objectives of the department are:

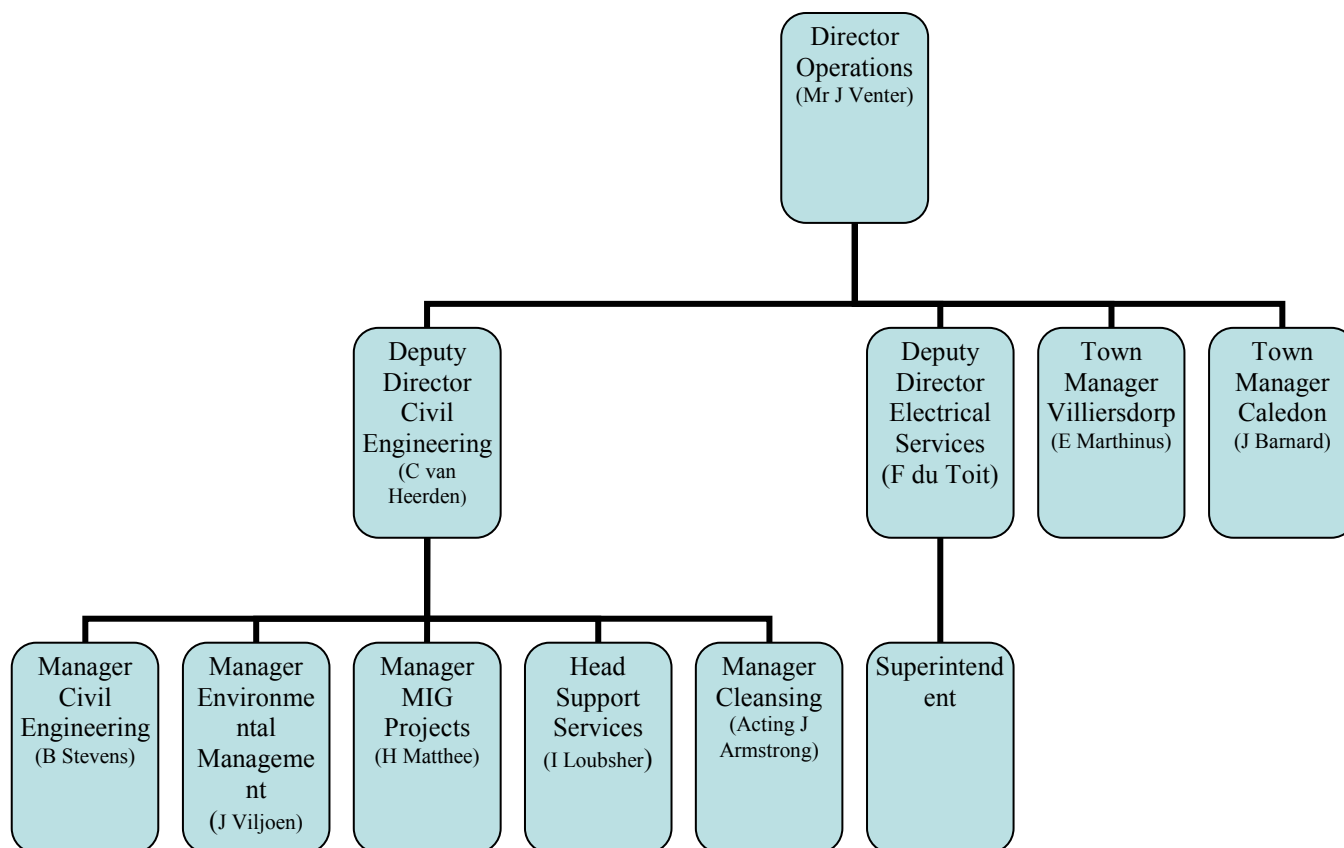
- Implementation of Road Traffic Act (Act 29 of 1989) and Municipal Regulations.
- Improve public awareness and road safety through visible policing.
- Implement Road Safety projects.
- Ensure high payment return on traffic fines.
- Effective Management of traffic and law enforcement resources.

Traffic Management Project

Theewaterskloof Municipality entered in to a contract with an External Contractor in November 2002 for the five years, to provide equipment and service for Traffic law enforcement and processing. This contract stipulated a service fee of 50% of the net income generated by the traffic violations on receipt of offender's payment of fines. For this financial year there was a gross income of R6,265,234, 42% of the Budget of R15 million. This also had an impact on the contracted services of traffic fines which amount to 50% of the Income.

Forensic Audit and an in depth costing was done on the traffic service to investigate the under – performance of this function. Cost Analysis prove that the contract with the external contractor was not cost-effective. The agreement with the External contractor expired and TWK is in the process of delivering this service 100% in house and enhancing our income.

5.4 DIRECTORATE OPERATIONAL SERVICE



5.4.1 Water Distribution and Treatment

Description of Activity

The Theewaterskloof Municipality is responsible for the distribution of potable water within the municipal area. The personnel consist of 4 Assistant Managers, Senior Technician, 1 Superintendents, and 34 blue collar workers.

The Water Section can be divided into 2 sections, namely:

- Water Purification and
- Bulk and Distribution network.

The Municipality has a Mandate to:

Theewaterskloof Municipality is responsible to supply potable water in accordance with (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: “Water and Sanitation Services limited to potable water supply systems”.

The strategic objectives of the department are:

- To supply the residents in TWK municipal area with a good quality drinking water.
- Render a service with the least possible interruption e.g. as little as possible pipe breakages. To achieve this goal there is an ongoing process of pipe replacement.

The key issues for 2007/08 are:

- To upgrade and maintain the existing water infrastructure.
- The expansion of said infrastructure in line with new development and the eradication of backlogs.

Analysis of Function

Percentage of total water usage per month

Total water consumption KL:

July 07	275,081
August 07	297,417
September 07	235,354
October 07	256,419
November 07	276,092
December 07	315,887
January 08	340,941
February 08	338,616
March 08	335,398
April 08	302,080
May 08	326,343
June 08	279,028
Total	3,578,657

Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer	KL	R (000s)
Total	1623830	3843
Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:	KL	R (000s)
Total	3,578,657	21809
Total year-to-date water losses in kilolitres and rand	KL	R (000s)
Total raw and treated water losses	183628	435

Detail	Total	Cost
Number of households with water service, and type and cost of service:		R (000s)
- Piped water inside dwelling / yard (consumer units)	16503	
- Communal standpipe: distance < 200m from dwelling (Backlog as in CIP)	6961	
- Communal standpipe: distance > 200m from dwelling	0	
Total households & Total value of water infrastructure	23464	
Note: if other types of services are available, please provide details		

Number and cost of disconnections and reconnections:		R (000s)
- Disconnections	1014	13
- Reconnections	159	13
Number and total value of water projects planned and current:		R (000s)
- Current (financial year after year reported on)	10	25,714
- Planned (future years)	17	28,162
Note: provide total project and project value as per initial or revised budget		

Anticipated expansion of water service:		R (000s)
- Piped water inside dwelling (housing program 2008-2010)	527	3,162
- Piped water inside yard	0	na
- Piped water on community stand: distance < 200m from dwelling	0	na
- Piped water on community stand: distance > 200m from dwelling	0	na
- Borehole	0	na
- Spring	0	na
- Rain-water tank	0	na
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		

Estimated backlog in number (and cost to provide) water connection:		R (000s)
- Piped water inside dwelling	6434	38,604
- Piped water inside yard	0	na
- Piped water on community stand: distance < 200m from dwelling	0	na
- Piped water on community stand: distance > 200m from dwelling	0	na
- Borehole	0	na
- Spring	0	na
- Rain-water tank	0	na
Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		

Free Basic Service Provision:		R (000s)
- Quantity (number of households affected)	5859	
- Quantum (value to each household) Indigent households were credited with a total of R68,90 to their monthly account for water, sanitation and solid waste services	R 68.90	4,844
Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
Provision of 6Kl water per household	All	

Type and number of grants and subsidies received:		R (000s)
<list each grant or subsidy separately>	<total>	<value>
Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
MIG- allocated amount distributed monthly according to cash flow projections. Total for water, sanitation and electricity projects	MIG Projects total allocation	22,916
Equitable share / Free basic services grants	5859	20,719
Total operating cost of water distribution function (budgeted value)		22,369

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1	(a) Supply households with access to water reticulation system <i>Target is the eradication of housing backlog</i>	16503	23464
2	(b) Reduce periods of water supply disruption (repair time)	4 hours	3 hours
3	(c) Reduce water disruption incidents (pipe bursts)	125	100
4	(d) Monitor and reduce water losses	19	12.5
5	(e) Monitor water quality	maintain SANS regs	maintain SANS regs

Capital Budget Projects

Town	Project	Total Budget	Adjustment Budget	Actual Expended This Period
Botrivier	Botriver Reservoir	1,402,750	705,245	-61,968
Botrivier	Borehole B'Rivier	309,000	309,000	0
Genadendal	Water Pumps and Pipe works	245,000	245,000	-27,333
Grabouw	Bulk water infrastructure Upgrading	4,853,803	7,152,120	-917,365
Grabouw	Groenland Reservoir final payment	1,000,000	1,000,000	0
Grabouw	Upgrading of Water Purification works	350,000	350,000	0
Greyton	Water Works & Membranes Purification	495,495	1,745,000	-1,254,367
Riviersonderend	Connect Gravity Main - Reservoir to housing project	251,000	251,000	0
Tesslaarsdal	Borehole	315,000	298,559	-61
Tesslaarsdal	Upgrading Reservoir	211,200	301,200	0
Villiersdorp	Borehole	650,000	900,000	-218,147

5.4.2 Roads

Theewaterskloof Municipality is responsible for the construction and maintenance of roads within the municipality's jurisdiction.

Description of the Activity:

The Theewaterskloof Municipality is responsible for the roads and storm water reticulation within the towns of the WC031 established municipal area. The Roads and Stormwater Division functions as a division on its own headed by the Assistant manager of each town. This unit has 85 trained technical, artisans and other operational staff.

The Municipality's Mandate:

The Municipality has the mandate from Government to perform all relevant services regarding roads and stormwater in those areas included within the boundaries of the WC031 area in terms of Schedule 4B and 5B, i.e. "Municipal Public Transport; Stormwater Management Systems in built-up areas". Apart from various National and Provincial legislation and White and Green Papers this division is also responsible to execute all Council resolutions, policies and delegated powers by council. Roads outside the town areas are still the responsibility of the District Council.

Strategic Objectives

- Providing sufficient capacity for the movement of motorized vehicles.
- Reducing demand for personal travel.
- Providing sufficient capacity for the movement of bicycles
- Providing sufficient capacity for the movement of pedestrians.
- Provision of public transport and facilities to that effect. (e.g. Taxi Ranks).
- To provide sufficient maintenance capacity to maintain all infrastructure in good operational condition.

- To provide a Stormwater Management System in built-up areas.
- To monitor base flow in rivers and water quality assurance.

The key issues for 2007/08 are:

For the current financial year the focus will be on reducing backlogs regarding upgrading of roads and stormwater in areas such as Tesselaarsdal and Genadendal. The ongoing maintenance of existing roads and stormwater systems remains the main focus of this division.

Analysis of the Function:

Total number, kilometres and total value of road projects planned and current:		<i>R (000s)</i>
- New bitumenised (number)	0	<cost>
- Existing re-tarred (number)	3	150
- New gravel (number)	0	0
- Existing re-sheeted (number)	15	520
Note: if other types of road projects, please provide details		
Total kilometres and maintenance cost associated with existing roads provided		<i>R (000s)</i>
- Tar	0	0
- Gravel (Grading)	15	520
Note: if other types of road provided, please provide details		
Average frequency and cost of re-tarring, re-sheeting roads		<i>R (000s)</i>
- Tar	12 mnthly	0
- Gravel	5 mnthly	520
Note: based on maintenance records		
Estimated backlog in number of roads, showing kilometres and capital cost		<i>R (000s)</i>
- Tar	0	0
- Gravel	0	0
Detail	Total	Cost
Note: total number should appear in IDP, and cost in future budgeted road construction programme		
Type and number of grants and subsidies received:		<i>R (000s)</i>
	0	<value>
PAWC/Proclaimed Roads Grant - R 1 780 000.00		1780
Ependiture		
1 March 07- May 07 - R 1 780 000.002		
Total operating cost of road construction and maintenance function		11426

Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Attend to wash aways of roads within 24 Hrs of notification	100%	90%
Repairing of Potholes, 7 days after notification	100%	80%
Re-sealing	55 000m2	40 182 m2

Capital Budget Projects

Town	Project	Total Budget	Adjustment Budget	Actual Expended This Period
Myddleton	Service Myddleton	250,000	250,000	0
TWK	Upgrading and tarring of roads	2,500,000	3,019,472	-750,541
Villiersdorp	Stormwater channels	109,472	110,000	-96,491
Tesslaarsdal	Access Road & External Stormwater T'dal	810,537	290,537	0
Genadendal	Katrivier Bridge	-	282,367	-159,523

5.4.3 Electricity/Street Lighting

The function of this section includes all activities associated with the provision of street lighting to the community.

Description of the Activity:

- Provide adequate street lighting for urban areas.
- Maintain/Repair of faulty street lights.
- Upgrade of existing services as well as new developments.

These services extend to include Theewaterskloof (Caledon, Greyton, Riviersonderend and Villiersdorp, but do not take account rural areas such as Tesselaarsdal, Botrivier, Grabouw, Genadendal which resides within the jurisdiction of provincial Government.

Strategic Objectives of the department are:

To provide adequate lighting within the TWK area for the safety of pedestrians and road users.

Key issues for 2007/08

To provide good service levels and maintain standards.

Analysis of the Function:

Number and total operating cost of streetlights servicing population:		
Total streetlights within the TWK area	3785	R 1,500

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Upgrading of old and faulty streetlights. Installation of streetlights in Villiersdorp	all achieved. Purchase of n truck to do specific work. Appointed person to specific work on streetlight		

Capital Budget Projects

Town	Project	Total Budget	Adjustment Budget	Actual Expended This Period
Botrivier	Streetlights	161,850	323,700	-11018.4

5.4.4 Electricity Distribution

The function of this unit includes the bulk purchase and distribution of electricity.

Description of the Activity:

The electricity purchase and distribution functions of the municipality are administered as follows and include:

- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend. Grabouw, Genadendal, Tessaarsdal, Botrivier and Middleton resides within Eskom jurisdiction).
- Distribute electricity subject to the licence conditions set by NERSA.

Strategic Objectives of the department are:

- To evaluate all restraints placed on this sub-function and to develop strategies to ensure that the minimum service delivery standards are maintained.
- To ensure a safe, effective, economical and continued supply of electricity within the TWK municipal area.

Key issues for 2008/09 are:

To upgrade networks where necessary with NRS 047&048 quality of supply legislation and NERSA licence operational standards and conditions.

Analysis of the Function:

The total income for the 2007/08 year was **R 25,596.380**.

Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer	62 857 932	R12 842 000
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Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		
- Household	26 861 503	11 517 698
- Commercial	11 628 191	4 728 762
- Industrial	17 859 529	5 692 487
- Mining	0	0
- Agriculture	0	0
- Other	2 340 00	1 016 981
Total year-to-date electricity losses in kilowatt hours and rand	4 168 668	
<detail total>		
Number of households with electricity access, and type and cost of service:	5947	
Detail	Total	Cost
- Electrified areas		
- Municipal	5947	
- Eskom		
- Alternate energy source		
- Gas		
- Paraffin		
- Solar		
- Wood		
- Non electrified	650	
Note: if other types of services are available, please provide details		
Number and cost of new connections:		
<detail total>		
Number and cost of disconnections and reconnections		
<detail total>		
Number and total value of electrification projects planned and current:		
- Current (financial year after year reported on)	185	2 500 00
- Planned (future years)	400	5 405 405
Note: provide total project and project value as per initial or revised budget		
Anticipated expansion of electricity service:		
New connections	250	2 500 000
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
Estimated backlog in number (and cost to provide) water connection:		R (000s)
<detail total>	<total>	<cost>
Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
Free Basic Service Provision:		
- Quantity (number of households affected)	5280	
- Quantum (value to each household)	R 24	

Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	50kWh	
Type and number of grants and subsidies received:		
Free basic electricity		R 1 990 000
Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
Total operating cost of electricity distribution function		R 25 596 380

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
Upgrading of electricity networks in Caledon, Villiersdorp, Riviersonderend, Greyton	Underground services installed at, Parkstreet Greyton. Victoria street Villiersdorp. Low cost housing in Riviersonderend. H T supply in Villiersdorp low cost housing in Caledon etc. maintenance on networks in the TWK area.

Capital Budget Projects

Town	Project	Total Budget	Adjustment Budget	Actual Expended This Period
Botrivier	Highmass Lighting	85,350	494,400	0
Riviersonderend	Upgrading 11KV Mull	409,050	409,050	-203,000
Greyton	Upgrading Parkstreet	360,000	360,000	-2,400
Greyton	Electricity Housing Project	455,000	455,000	-2,400
Riviersonderend	Electricity Housing Project	380,000	380,000	-179,627
Villiersdorp	Main Supply upgrading	356,000	356,000	1,569

5.4.5 Waste Water Management

The role of this unit includes the collection and disposal of sewage and provision of communal toilets in informal areas.

Description of the Activity:

Theewaterskloof Municipality provides sewerage collection systems, comprising water borne sewer networks, bucket removal system and vacuum tanker service where necessary, and treats the collected effluent at 7 sewage treatment plants. Further services include the provision and maintenance of communal toilets in informal areas. This service is headed by the Town Managers of each town of Theewaterskloof with his trained and operational staff.

These services extend to include all former municipal areas, but do not take account of areas outside former/disestablish Municipal Boundaries which resides within the jurisdiction of local government.

The Municipality's Mandate

The municipality is responsible to deliver a service to all, which is effective, affordable and sustainable within legal and budgetary constraints in terms of Schedule, 4B of the Constitution: "Water and Sanitation Services limited to...and domestic waste water and sewage disposal systems. All Waste Water Treatment Plants, in the WCO31 area, are operated under the specific conditions in the Water Act (Act 36 of 1998, Government Notice No 1191) in accordance with the Permit requirements of Department of water Affairs and Forestry.

Strategic Objectives of the department are:

- The eradication of the bucket system and the provision of an effective and acceptable service to all residents.
- To provide access to a water borne sewer system, vacuum tanker system to those residents with septic or conservancy tanks and the removal of buckets where the system is still in use.
- To operate the Wastewater Treatment Plants in compliance with permit requirements.
- To timeously provide appropriate capacity in the sewage removal network.
- To provide communication and education for sanitation in informal areas.
- To manage and maintain all equipment and plant associated with the sanitation services.
- Replacement, refurbishment and extensions of existing infrastructures in a manner.

The key issues for 2007/08 are:

- Upgrade of Genadendal, Botriver and Grabouw wastewater treatment plants within the limits of budgetary constraints.
- Upgrade of the network infrastructure with specific reference to aged rising mains in Grabouw.
- Train operational personnel at all wastewater plants.
- To draft bylaws pertaining to the discharge of effluent from small industries, e.g. restaurants.

Analysis of the Function:

Number of households with sewerage services, and type and cost of service:		R (000s)
- Flush toilet (connected to sewerage system)- formal households	14911	12,226
- Flush toilet (with septic or conservancy tank)- formal households	3960	3,247
- Chemical toilet		
- Bucket latrine	476	
- Communal toilets (flush toilets & pit latrines)- informal households	4117	
Total households	23464	
Note: if other types of services are available, please provide details		

Anticipated expansion of sewerage:		R (000s)
- Flush toilet (connected to sewerage system): upgrade from buckets & communal toilets	476	19,013
- Flush toilet (with septic tank)		
- Chemical toilet		
- Pit latrine with ventilation		
- Pit latrine without ventilation		
- Bucket latrine		
- Communal toilets in informal areas		
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
Free Basic Service Provision:		
- Quantity (number of households affected)	5859	20,719
- Quantum (value to each household) Indigent households were credited with R 68.00 on their monthly accounts. This included water, sanitation and solid waste services	68.00	
Detail	Total	Cost
Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.- Indigent households were credited with R 68.00 on their monthly accounts. This included water, sanitation and solid waste services		
Type and number of grants and subsidies received:		R (000s)
<list each grant or subsidy separately>	<total>	<value>
Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
MIG- allocated amount distributed monthly according to cash flow projections. Total for water, sanitation and electricity projects		22,916
Equitable share / Free basic services grants	5859	20,719
Total operating cost of sewerage function		9,555

Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Clear reported blockages in pipelines	Within 5 hours	Within 3 hours
Monitor treated waste water effluent	maintain dwaf regs	maintain dwaf regs
Provide all households with access to the sewer reticulation network	18871	23464

Capital projects

Town	Project	Adjustment Budget	Actual Expended This Period
Botrivier	Upgrading of WWTP (existing project)	5,557,262	5,395,412
Caledon	Replace 2 WWTP aerators with 2x22 kw slow speed	266,000	223,155
Genadendal	Bucket Eradication	15,169,800	19,096,430
Grabouw	Rooidakke - WWTP Bulk sewer Capacity upgrading	1,645,000	2,600,000
Grabouw	Replace WWTP Aerator	80,000	80,000
Grabouw	fencing of Grabouw sewerage work Station	250,000	292,845
Grabouw	Upgrading of WWTP from 3600 to 6111 m3/day	300,000	300,000
Caledon	Reierlaan Riolerling	100,000	100,000
Greyton	Boschmanskloof Gravity main	425,000	100,000
Riviersonderend	RDP Houses Connection Sewer	37,800	37,800
Villiersdorp	RDP Houses Connection Sewer	68,000	68,000
Villiersdorp	Pump stat & Sewer cap upgrade site 3&4 WWTP	192,750	0
Riviersonderend	RSE Rep Anarobic	528,000	720,750

5.4.6 Waste Management/Solid Waste

The function of this unit includes refuse removal, solid waste disposal and landfill, street cleaning and recycling.

Description of the Activity:

- Waste Management falls under the Directorate -Operational Services and is managed by the Manager: Solid Waste, Water/Sewage purification and Tanker Services.
- The Cooperate Office is responsible for all Capital projects, the monitoring of the waste management services, writing of programmes and bylaws, monthly inspections of the various sites in the towns within Theewaterskloof Municipality.
- The unit also manages and approves waste sites and Transfer-stations.
- The Town manager is responsible for the day to day operations in every town and for the removal and collection of the waste, cleaning of road reserves and most public open places.
- There are two Transfer-stations in the Municipal jurisdiction, One in Grabouw and the other in Villiersdorp.
- Caledon has a Licensed waste site but Genadendal, Greyton and Riviersonderend is not permitted yet.
- In November 2007 an external contractor was appointed to transport the refuse from Grabouw and Villiersdorp Transfer Stations.

The Municipality's Mandate

- To provide a sufficient waste removal service to all residents within the municipal boundaries.
- To keep the municipal road reserves and public places clean and tidy.
- To manage the dumping site in such a manner to prevent any pollution of underground water, air pollution and any groundwater pollution.
- To make sure that the health and safety of all personnel and residents are in good condition, from a solid waste perspective.

The key issues for 2007/08 are:

- Key issues to be addressed in the future are: Increased recycling and revised bylaws.
- Provide wheelie bin service to all towns.

Gaps in service delivery

- The lack of services in the informal areas needs more attention.
- Open spaces should be cleaned more often.
- Placing of extra containers near or at informal settlements.

Analysis of the Function:

Number of households receiving regular refuse removal services, and frequency and cost of service:		R (000s)
- Removed by municipality at least once a week	19196	
- Removed by municipality less often	816	
- Communal refuse dump used	840	
- Own refuse dump	4300	
- No rubbish disposal	384	
Note: if other intervals of services are available, please provide details		
Total and projected tonnage of all refuse disposed:	current	future
- Domestic/Commercial	320/week	
Note: provide total tonnage for current and future years activity		
Total number, capacity and life expectancy of refuse disposal sites:		
- Domestic/Commercial (number)	7	9yrs
- Garden (number)	<capacity>	<lifespan>
Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period		
Detail	Total	
Anticipated expansion of refuse removal service:		R (000s)
- Domestic/Commercial (number houses)	250	6.7
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
Free Basic Service Provision:		
- Quantity (number of households affected)	96 279	
- Quantum (value to each household)	2 639	

Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
Total operating cost of solid waste management function		104,070,65
Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Service provided to all informal areas		
Refuse was removed from households once per week		
Refuse was removed from food handling businesses 3 times per week		
Refuse was removed from all other Businesses twice per week		
<i>Informal houses were given a refuse removal services 1 per week</i>		

5.4.7 Fleet Management

This unit is responsible for the overall planning, organising and control of the vehicles for the organisation.

Strategic Objectives of the department are:

- To manage and maintain all fleet of the municipality.
- To provide sufficient municipal services to all residence within the municipal boundary.

Key Issues for the current financial year

- the rendering of proper service delivery (refuse collection).

Capital Budget

Town	Project		Adjustment Budget	Actual Expended This Period
TWK	Upgrading of fleet infrastructure	SUB TOTAL	4,000,000	4,000,000